READY. SET. GO.

John Keells Group

John Keells Holdings PLC
Annual Report 2024/25

READY. SET. GO.

This year was a turning point - where a vision transforms into reality and ambition sets the course for the future. Investments that once were blueprints and bold aspirations are now promising ventures, driving the momentum that will propel us forward.

Two of the Group's–possibly the nation's–biggest, most significant projects were launched in the year under review; the City of Dreams Sri Lanka integrated resort and the West Container Terminal at the Port of Colombo. These transformational ventures will undoubtedly bring trade, employment and economic growth to the country, while reinforcing Sri Lanka's position as a hub of leisure and logistics in the region.

But this is only the beginning. The journey ahead will be one of consolidation and expansion as we unlock the full potential of what we have built. And as we move forward, our steadfast commitment to good governance, sustainability and social responsibility will remain at the core of everything we do.

In the pages ahead, you will see how our long term vision has come to reality - how the foundations laid with care and precision are now shaping the future, creating impact and driving transformation, as we move into the years ahead.

We're ready, we're set, and all systems are GO.

John Keells Holdings PLC

REPORTING UNIVERSE

In furtherance of the Group's comprehensive and integrated environmental, social and governance (ESG) reporting framework, the JKH Annual Report 2024/25 continues to be supplemented by various online publications and additional information, as outlined below.

	Financial and Operational Reporting	Environmental and Societal Reporting	Governance and Risk Management Reporting
Coverage	Contains information relating to the Group's financial performance and position, both annually and quarterly. The information is also complemented through details of key operational indicators and justification of performance. Includes regulatory disclosures.	Covers how the Group uses its expertise to create positive economic, environmental and societal impacts. Also contains discussions on the impact that the Group has created.	Contains information and disclosures relating to aspects linked to governance, including board matters, ethics, key risks, risk management, and director remuneration. Disclosures demonstrate the manner in which the Group operates; through sound governance practices, and the highest standards of ethics, integrity, transparency and accountability. Also entails the circulars to shareholders, notices of meeting and forms of proxies.
Stakeholders Concerned	Primarily of interest to capital providers and regulators.	Primarily of interest to investors, prospective and current employees, regulators, non-governmental organisations (NGOs), customers and society.	Primarily of interest to capital providers, customers, employees, regulators, suppliers and members of society.

KEY REPORTING CHANNELS

JKH Annual Report 2024/25 (A)

https://www.keells.com/resource/reports/annual-reports/John_Keells_Holdings_PLC_AR_2024_25_CSE.pdf

Investor Presentations/Updates (A) (Q)

https://www.keells.com/investor-relations/#annual-reports

Recordings of Investor Webinars (A) (Q)

https://www.keells.com/investor-relations/#annual-reports

Corporate Website (R)

https://www.keells.com/

Market Announcements, Notice of Meeting and Related Proxies (R)

https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=JKH.N0000

AI Powered Reporting Assistant (Chatbot) (R)

https://www.keells.com/investor-relations/

Communication on Progress for the UN Global Compact (A)

https://unglobalcompact.org/what-is-gc/participants/5652-John-Keells-Holdings-PLC

Dedicated Website for Group's Corporate Social Responsibility (R)

https://www.johnkeellsfoundation.com/

Corporate Governance Framework (R)

https://www.keells.com/resource/reports/governance/John-Keells-Holdings-PLC-AR-2024_25-Corporate-Governance.pdf

Social Media Updates of Key Highlights through LinkedIn, Facebook and Instagram (R)

https://lk.linkedin.com/company/john-keells-holdings

https://www.facebook.com/johnkeells/

https://www.instagram.com/lifeatjkh/?hl=en

Dedicated Website for Group's Social Entrepreneurship Project Aimed at Reducing Plastic Pollution (R)

https://www.keells.com/esg/#plasticcycle

Performance and Disclosures for Transparency in Corporate Reporting (Published by Transparency International Sri Lanka) (R)

https://www.tisrilanka.org/trac2023/

Frequency: (A) *Annually* (Q) *Quarterly* (R) *Regularly*

CONTENTS

INTRODUCTION TO THE REPORT

We are pleased to present our tenth Integrated Report in accordance with the International <IR> Framework of the IFRS Foundation.

Our Integrated Report is the outcome of a Group-wide reporting process. The process is governed by the Board, led by the Group Executive Committee, and delivered through Group-wide collaboration. Our integrated-thinking approach to decision-making, management and reporting enables us to create and preserve value in the short, medium and long term. The Report strives to deliver a balanced and relevant report that will bring clarity and detail to the complex task of reporting a year of diverse business operations across multiple sectors.

This Report reflects on:

- The value creation model of the Group, combining different forms of Capital in the short, medium and long term.
- Governance, risk management and sustainability frameworks entrenched within the John Keells Group.
- Financial, operational, environmental and social review and results of the Group.

INTEGRATED THINKING AND OUR INTEGRATED REPORTING PROCESS

Integrated Reporting process:	Compiling	Validating	Approving
Related sub-processes:	01 Process of completing the Integrated Report 02 Regulations, standards and principles 03 Integrated Report and reporting principles	04 Information integrity verification and quality assurance	05 Sign-off by the Group Executive Committee (GEC) 06 Board approval
Parties involved:	Board, GEC, Integrated Reporting team	Board, GEC, Internal Auditors and External Auditors	Board, GEC

01 Process of Completing The Integrated Report

- Prepared based on deliberations at a GEC and Board level, meeting minutes, decisions and approvals including frameworks as previously approved, as well as internal and external reporting information reflecting the Group's integrated thinking and in line with the International <IR> Framework.
- A cross-functional team, led by the Deputy Chairperson/Group Finance Director and various industry group/sector representatives and subject matter experts across the Group, produces the content contained within this Report, with oversight from the GEC and the Board.
- The GEC and Directors actively contribute to the content of the Report and are responsible for reviewing and approving the reported information. All such members involved in the various approval processes are illustrated through the above integrated reporting process.
- The Report is also supported by the oversight provided by independent assurance providers.
- Whilst the cross-functional team, who has delegated authority from the Board, ultimately sign-off for publication, the Board provides the final approval of the Report.

02 Regulations, Standards and Principles

Narrative Reporting

- International <IR> Framework of the IFRS Foundation

Governance, Risk Management and Operations

- Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including directives and circulars
- Code of Best Practice on Corporate Governance (2013) jointly advocated by SEC and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)*
- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka, to the extent of business exigency and as required by the Group
- Code of Best Practices on Related Party Transactions (2013) advocated by SEC
- Transparency International Sri Lanka assessment criteria on transparency in corporate reporting

Financial Reporting

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by CA Sri Lanka
- Companies Act No. 7 of 2007
- Listing Rules of the CSE

Sustainability Reporting

- Reported in accordance with the GRI Standards 2021
- Aligned to United Nations Sustainable Development Goals
- Operations in conformity with the Principles of the United Nations Global Compact
- Environmental, Social and Governance (ESG) disclosures through the <IR> framework and operations in conformity with the Principles of the United Nations Global Compact

03 Integrated Reporting and Guiding Principles

The Group has strived to deliver a comprehensive, balanced and relevant Report, while adhering to the recommendations of the IIRC. The seven guiding principles in integrated reporting, as depicted, have been given due consideration when preparing and presenting this Report.

04 Information Verification and Quality Assurance

The Chairperson-CEO, Deputy Chairperson/Group Finance Director, Group Executive Committee and relevant management personnel are responsible for disclosures made in this Report. The Group makes every effort to ensure the credibility, reliability and integrity of the information presented in the Report, including through external assurance from independent auditors.

The information contained in this Report has been reviewed by, as applicable, by:

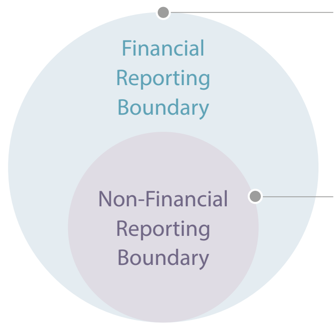
- The Board of Directors
- Audit Committee of the Company
- The Group Executive Committee
- An independent auditor confirming the accuracy of the annual financial statements
- An external assurance has been obtained for the non-financial statements in this Report by an independent auditor confirming the accuracy of the Report which has been prepared in accordance with the GRI Standards 2021.

REPORTING SCOPE

Reporting Period

The John Keells Annual Report 2024/25 is a reflection of the Group's integrated approach of management during the period from 1 April 2024 to 31 March 2025. Material events post this reporting period, up to the sign-off date by the Board of Directors on 27 May 2025, have been included in this Report, ensuring a more relevant and up to date Report.

Scope and Boundary



86 legal entities of the John Keells Group, based in Sri Lanka and overseas, create the financial reporting boundary of this Report.

Refer page 410 – Group Directory

45 companies are included in the non-financial reporting scope. With the adoption of the SLFRS S1 and S2 guidelines, the Group is working towards aligning the financial and non-financial reporting boundary.

Reasons for divergence:

The remaining companies are either:

- Non-operational / investment / holding companies
- Owners of real estate
- Entities which the Group does not exercise significant management control over

This has been indicated against each company in the Group Directory section of this Report.

Key changes to the Group structure during the year:

- Infomate Global Business Services (Private) Limited was incorporated to support the company's expansion plans. The entity is accounted as a subsidiary for the purpose of financial reporting.
- Divested its entire 37.62% equity stake in Tea Smallholder Factories PLC after the reporting period ended 31 March 2025. Given that the divestment is after 31 March 2025, this company has been considered within the financial reporting scope.

Changes to the sustainability reporting boundary during the year:

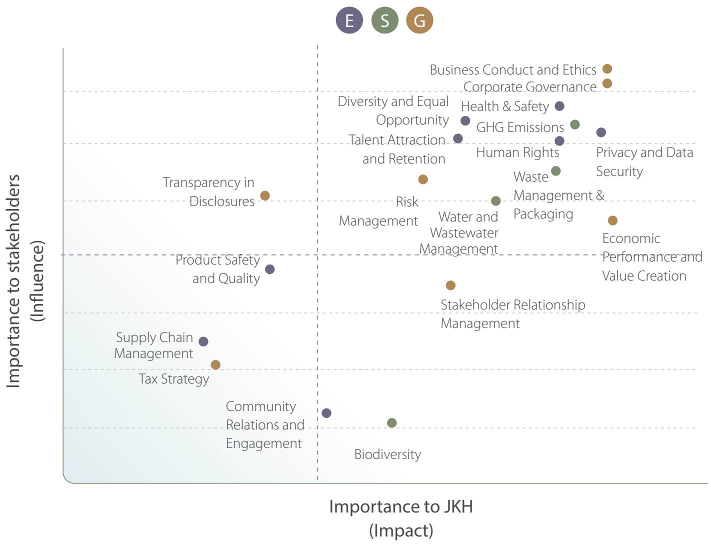
- Commenced operations of two new hotels, Cinnamon Life at City of Dreams Sri Lanka and Kandy Myst by Cinnamon which were included in the scope.
- Expanded to include six new Keells supermarket outlets, while removing two outlets that were closed during the year.
- Expanded to include the Mathugama beverage plant and Kotagala water bottling plant of the Beverages business.

MATERIALITY

The Group conducts an internal comprehensive materiality assessment annually, in collaboration with various sectors to assess and monitor progress against key sustainability concerns. This is complemented by a biennial stakeholder engagement survey, facilitated by an independent third party, which gauges the impact of ongoing activities and the Group's engagement, tracking performance against material topics and monitoring shifts in the material topics landscape. In addition to the biennial survey, stakeholder engagement activities occur regularly throughout the year, using a variety of methods such as meetings, focus groups, interviews, and digital platforms, ensuring ongoing communication and feedback collection.

The Group's material ESG topics for each industry group and sector-specific ambitions, which thereafter dovetailed into Group-level priorities based on relevance and materiality, is noted below which has been adopted through a double materiality assessment which considers the impact of the material topics on the Group as well as the environment and its stakeholders.

John Keells Group Materiality Matrix



Very High
1. Business Conduct and Ethics
2. Corporate Governance
3. Health & Safety
4. GHG Emissions
5. Human Rights
6. Diversity and Equal Opportunity
7. Waste Management/Packaging
8. Talent Attraction and Retention
9. Risk Management

High

10. Water and Wastewater Management
11. Privacy and Security
12. Disclosures
13. Stakeholder Relationship Management
14. Product Safety and Quality

Medium

15. Supply Chain Management
16. Tax Strategy
17. Community Relations and Welfare
18. Biodiversity

A detailed explanation of the process and how the material topics were arrived at can be found in the Determining Materiality section of this report.

Contact with Stakeholders

The preparation of the Report took place in cooperation with all relevant stakeholders in order to improve transparency and accountability. Feedback is gathered through questionnaires, a dedicated mailbox, one-on-one meetings and stakeholder engagement fora.

Please direct your feedback to:
- Email: investor.relations@keells.com
- Tel: +94 11 230 6170

DISCLAIMER FOR THE PUBLICATION OF FORECAST DATA

The Report contains information about the plans and strategies of the Group for the medium and long term and represents the management's view. The plans are forward-looking in nature and their feasibility depends on a number of economic, political and legal factors which are outside the influence of the Group and Company, including the situation in key markets, changes in tax, customs and environmental legislation and so forth. Given this, the actual performance of indicators in future years may differ from the forward-looking statements published in this Report. The reader is advised to seek expert professional advice in all such respects.

APPROVAL BY THE BOARD

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Report. In the Board's opinion, this Report addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of the John Keells Group. The Board is confident that the Report was prepared in accordance with the International <IR> Framework. This Report was approved by the Board on 27 May 2025.

NAVIGATING THIS REPORT

This Annual Report is available on our website:

https://www.keells.com/resource/reports/annual-reports/John_Keells_Holdings_PLC_AR_2024_25_CSE.pdf

Interact with our AI Powered Reporting Assistant (Chatbot):

https://www.keells.com/investor-relations/

Reporting Guides

- Reference to other pages within the Report
- Reference to further reading online
- Details of CSR projects available on www.johnkeellsfoundation.com/

Capital Guides

- Financial and Manufactured Capital
- Natural Capital
- Human Capital
- Social and Relationship Capital
- Intellectual Capital

As you flip through the pages of this Report, you will find a relevant, transparent and noteworthy value proposition entrenched within the John Keells Group that strives to achieve the highest form of stakeholder satisfaction through sustainable value creation.

ABOUT US

John Keells Holdings PLC, the largest publicly listed company on the Colombo Stock Exchange, has an operating history spanning over 150 years.

Started in the early 1870s by two Englishmen, Edwin and George John, as a produce and exchange broking business, the company has been known to constantly evolve, re-align, re-position, and re-invent itself to pursuing growth sectors of the time.

The John Keells Group's investment philosophy is based on a positive outlook, bold approach, commitment to delivery and flexibility to change. JKH is also committed to maintaining integrity, ethical dealings, sustainable development and greater social responsibility in a multi-stakeholder context.

Refer Corporate Information for more details - Inner Back Cover.

GROUP STRUCTURE

Refer link below to access the holding matrix of the John Keells Group, which outlines the organisational structure and the manner in which the various subsidiaries and equity accounted investees are held under John Keells Holdings PLC.

https://www.keells.com/about-us/#organization-structure

Industry Group	Our Business	Composition

Transportation
• Transportation
• Ports and Shipping
	• Port of Colombo;
	  - 42% stake in SAGT – container terminal (capacity of ~2 million TEUs).
	  - 34% stake in WCT-1 (capacity of ~3.2 million TEUs).
	• Leading bunkering services provider – Lanka Marine Services.
	• One of the largest cargo and logistics service providers in the country.
	• Joint Venture with Deutsche post for DHL air express, AP Moller for Maersk Lanka and Inchcape Shipping Services for IMMS.
	• GSA for KLM Royal Dutch Airlines and Gulf Air.
	• Warehousing and supply chain management.
	• Domestic scheduled and charter air flight operations – Cinnamon Air.
		20% Revenue
		16% EBITDA
		43% PBT
		3% Assets
		3% Carbon Footprint
		3% Employees

Consumer Foods • Beverages • Confectionery • Convenience Foods	• Strong market presence in Beverages, Confectionery and processed meats through Elephant House and Keells Krest brands. • Confectionery products, including Imorich, a premium ice cream range, and the Feelgood guilt-free frozen yoghurt range for customers seeking wellness and balanced lifestyles. • A portfolio of CSD and non-CSD Beverages catering to a wide array of customers and island-wide distribution network. • Partnership with Reliance Consumer Products Limited (RCPL) to manufacture, market, distribute and sell beverages under the Elephant House brand in India.	11% Revenue 15% EBITDA 33% PBT 3% Assets 19% Carbon Footprint 8% Employees

Retail
• Supermarkets
• Office Automation
• New Energy Vehicles
	• Supermarket Business
	  - As at 31 March 2025, 138 outlets uniquely branded to cater to evolving consumer lifestyles.
	  - A state-of-the-art distribution centre (DC) centralising offerings across the dry, fresh, and chilled categories with a capacity for ~250 outlets.
	• Office Automation Business - authorised distributor for office automation and IT enabled, world renowned brands and a market leader in providing print solutions for corporates. Brands offered include Samsung, Toshiba and Asus.
	• New Energy Vehicles Business - Partnership with BYD Auto Industry Company Limited, the world's leading manufacturer of new energy vehicles (NEV), to provide cutting-edge and eco-friendly vehicles to the Sri Lankan market.
		39% Revenue
		24% EBITDA
		35% PBT
		7% Assets
		36% Carbon Footprint
		42% Employees

ABOUT US

Industry Group | **Our Business** | **Composition**

Leisure

- Cinnamon Hotels & Resorts
- Destination Management
- Hotel Management

Our Business

- Cinnamon, a well-established hospitality brand in Sri Lanka and the Maldives:
  - 3 Colombo Hotels
  - CODSL
  - 9 Sri Lankan Resorts
  - 4 Maldivian Resorts
- CODSL, an iconic integrated resort, is envisaged to transform Colombo's tourism offering a 800-key hotel, banqueting and conferencing spaces, mall and a casino.
- Combined room inventory of 3,468 rooms under management in both Sri Lanka and the Maldives.
- Land bank of 128 acres of freehold and 140 acres of leasehold land in key tourism locations.
- Leading inbound tour operator.

Composition

14% Revenue	10% EBITDA
(47%) PBT	49% Assets
38% Carbon Footprint	35% Employees

Property

- Property Development
- Property Management

Our Business

- Projects developed under the Luxe Spaces, Metropolitan Spaces, Suburban Spaces and Leisure linked developments verticals which cater to the luxury, mid-tier and suburban multi-family housing segments.
- The sale/rental of units of the office tower at the Offices at Cinnamon Life.
- VIMAN, a suburban residential apartment development located in the heart of Ja-Ela.
- Ownership and operation of the Crescat Boulevard mall and management of the K-Zone mall in Moratuwa.
- Land bank:
  - Prime land bank of over 27 acres in central Colombo.
  - Developable freehold land of ~18 acres in close proximity to Colombo city.
  - Over 500-acres of scenic leased land with an 18-hole golf course and a developable land extent of ~80 acres.
- High-rise apartment complexes completed: TRI-ZEN, 7th Sense on Gregory's Road, OnThree20, the Emperor and the Monarch

Composition

3% Revenue	3% EBITDA
8% PBT	10% Assets
2% Carbon Footprint	2% Employees

Financial Services

- Insurance
- Banking
- Stockbroking

Our Business

- Union Assurance (UA) offers comprehensive insurance solutions in the Life Insurance segment while General Insurance solutions are offered through its associate Fairfirst Insurance Limited (FIL).
- Nations Trust Bank PLC (NTB) offers complete banking solutions through its network of branches for corporate, retail and SME clients.
- John Keells Stock Brokers (JKSB) is one of the leading stock broking companies in Sri Lanka and has a number of trading tie-ups with leading foreign securities houses.

Composition

11% Revenue	24% EBITDA
73% PBT	14% Assets
1% Carbon Footprint	5% Employees

Other, including Information Technology and Plantation Services

- Information Technology
- Plantation Services
- Other (which also comprises of Centre Functions*)

Our Business

- Information Technology
  - Software solutions and consultation services based on Internet of Things (IOT), Robotic Process Automation (RPA) and other digital stack solutions.
  - Brand presence in Middle East and North Africa (MENA) and Asia Pacific (APAC) regions as a leading digital solutions provider.
  - Strategic partnerships with SAP and Microsoft.
  - BPM service provider with the mandate of driving greater efficiencies for their clientele. Core focus areas of finance and accounting, payroll management and data digitisation.
- Plantation Services
  - Leading tea and rubber broker.
  - State-of- the-art warehousing facility for preauction produce.

Composition

2% Revenue	8% EBITDA
(45%) PBT	14% Assets
1% Carbon Footprint	6% Employees

* *Centre Functions include Corporate Communications, Corporate Finance and Strategy, Data and Advanced Analytics, Group Business Process Review, Group Finance and Group Insurance, Group Human Resources, Group IT, Group Tax, Group Treasury, John Keells Foundation, Legal and Secretarial, New Business Development, Social Entrepreneurship and Sustainability, Enterprise Risk Management, and Group Initiatives.*

Note: Revenue is inclusive of the Group's share of revenue of equity accounted investees.

CHAIRPERSON'S MESSAGE

Dear Stakeholder,

I am pleased to present the Integrated Annual Report and the Financial Statements for the financial year ended 31 March 2025.

I trust our Report will provide you with an in-depth understanding of the Group's value creation process, the strategies in place to manage the diverse portfolio of businesses towards driving sustainable growth, the governance philosophy and underlying principles in which the Group conducts its affairs, internally and externally, and the way forward for the Group.

Revenue incl. Associates	Rs.354,829 million	2023/24: Rs.317,109 million	11%
Recurring EBITDA	Rs.45,689 million	2023/24: Rs.43,796 million	4%
Recurring PBT	Rs.14,720 million	2023/24: Rs.16,593 million	(11%)
Recurring PAT	Rs.6,763 million	2023/24: Rs.11,115 million	(39%)
Recurring EBITDA excl. CODSL	Rs.50,432 million	2023/24: Rs.44,859 million	12%
Recurring PBT excl. CODSL	Rs.22,926 million	2023/24: Rs.14,362 million	60%

The year under review has been a pivotal one for the Group, marked by bold investments coming to fruition. I am confident these investments will redefine the Group, and its performance, while contributing meaningfully to the country's economy. The defining milestones were the successful launch of two of the Group's most ambitious and largest investments to date – the City of Dreams Sri Lanka integrated resort (CODSL) and the West Container Terminal (WCT-1) at the Port of Colombo. These landmark developments represent transformative opportunities, poised to serve as catalysts for economic growth, reinforcing Sri Lanka's position as a logistics and leisure hub in the region.

The Group's financial performance remained in line with our expectations, driven by the strength of our consumer-focused businesses which gained momentum quarter after quarter. Group earnings before interest expense, tax, depreciation and amortisation (EBITDA) was affected by the substantial pre-opening, ramp-up, and operating expenses at the City of Dreams Sri Lanka integrated resort. Excluding this impact, the EBITDA of the Group witnessed growth, as explained later in this Message. The WCT-1 commenced operations, adding much needed deep-water capacity in the Port of Colombo. The Group is confident that the short term impact of the ramp-up related expenses will be more than compensated for by the long term benefits and transformation these investments will create, positioning us for industry leadership and long term growth. In addition to these key projects, the Group remained committed to driving innovation and expansion across the industries in which we operate. Our New Energy Vehicle (NEV) business made a strong entry into the market with the launch of sales of BYD vehicles, supported by a healthy order book, which exceeded expectations. Considering the traction and momentum of bookings and the market potential for NEVs, the earnings of the NEV business are expected to be material in the context of the Group's performance. TRI-ZEN, Colombo's largest residential development, reached a significant milestone with the completion and handover of apartments to homeowners, and our latest venture, VIMAN, the Group's first suburban residential project, commenced construction and revenue recognition.

The Sri Lankan economy continued its recovery in CY2024 with a stronger than expected macroeconomic performance, with all key indicators and fundamentals supporting a sustained growth trajectory. The economy recorded a GDP growth of 5% in CY2024, marking its strongest performance since CY2017, albeit off a lower base. This recovery was driven by growth in the industrial and tourism sectors, supported by critical structural and policy reforms that have been sustained alongside fiscal discipline. The renewed business and consumer confidence, along with an uptick in private sector credit growth, have further reinforced economic resilience.

The much-anticipated upgrade in the country's sovereign rating in December 2024 from its previous default status, post the restructuring of its external debt, marked a crucial step for the country as it signalled Sri Lanka's official exit from default status since CY2022, restoring confidence among its lending and investment partners. Further, the strong mandate secured by the Government at both the Presidential and Parliamentary elections paved the way towards sustaining political stability in the country. With the conclusion of the Local Government elections in May 2025, the cycle of key elections is now complete, enabling the Government to focus on economic growth drivers and the reform agenda.

Headline inflation remained at negative levels since September 2024, though off a high base, while interest rates remained below 10% throughout the year. In May 2025, the Central Bank of Sri Lanka (CBSL) reduced the policy rate by a further 25bps to 7.75%, continuing its efforts to stimulate economic activity and to guide inflation closer to its 5% target. On the back of improved foreign exchange inflows driven by higher tourism receipts and remittances, stable import demand and overall confidence, the Rupee appreciated by approximately 11% against the US Dollar in CY2024, although a marginal depreciation was recorded in the fourth quarter of 2024/25 due to short term market volatility.

The CBSL continued to build its reserves, despite certain debt service obligations stemming from the successful conclusion of the debt restructuring process. The total Gross Reserves of the CBSL stood at USD 6.1 billion, equivalent to 3.8 months of imports as at end February 2025, higher than the reserves of USD 5.0 billion as at March 2024. Given the favourable economic conditions during the year, the Government gradually relaxed the restrictions on imports and capital controls. As referred to in my Interim Messages, this included the removal of the restriction on the importation of motor vehicles from February 2025. Government revenue continued to show strong growth driven by higher tax collection and improved economic activity. Tax collections for CY2024 reached a record Rs.1.95 trillion, which is a 25% increase from the previous year, with the largest contribution from value added tax (VAT) collections. The Government, as part of its commitment to fiscal consolidation under the IMF programme, announced a series of tax reforms in December 2024 towards offering relief to middle-income households and vulnerable communities while ensuring revenue enhancement measures on the other hand.

As part of the cost-reflective pricing mechanism implemented for key utilities, there were multiple downward revisions in electricity tariffs during the year, including a reduction of approximately 20% in January 2025. The electricity utility has recently proposed an 18% increase in tariffs, which is currently under consideration. If this upward adjustment takes place, it will have an impact on the margins and profitability of some businesses, although electricity tariffs will remain lower compared to the previous year given the multiple tariff revisions. Looking ahead, it is essential to focus on long term solutions that ensure cost-effective and sustainable energy generation. Strategic investments in efficient capacity expansion and the development of renewable energy sources will be vital to mitigating future pricing volatility, reducing dependency on conventional energy, and fostering a more sustainable economic and environmental framework.

Sri Lanka's cumulative tourist arrivals for CY2024 grew by 38% against CY2023 and stood at 2.1 million, largely in line with the Sri Lanka Tourism Development Authority's (SLTDA) target, although still approximately 10% below pre-pandemic levels. The recovery of the tourism industry in Sri Lanka was supported by the stable socio-economic environment. India and Russia continued to be the largest source markets of arrivals, while traditional markets such as the UK and Germany witnessed a resurgence. The momentum of tourism is encouraging with arrivals for the period from January to April 2025 crossing over 890,000, which is above the pre-pandemic arrivals recorded in the same period of CY2018. The arrivals for April were recorded at 174,600, reflecting a 17% increase compared to the same month in CY2024. Tourism earnings in CY2024 increased by 52% to USD 3.2 billion [CY2023: USD 2.0 billion], recording the highest earnings since CY2019.

"Given the strategic importance of tourism to Sri Lanka and the recovery momentum we are witnessing after consecutive years of severe disruption to the industry, we urge the authorities to expeditiously implement a targeted destination marketing campaign in a few key source markets which has been delayed for many years. It is also imperative that the authorities fast-track the construction of the new airport terminal."

The SLTDA anticipates the momentum in tourist arrivals to further accelerate as international airlines expand their frequencies and more charter flights resume services. The Group is confident that the positive trend in arrivals will continue, as also seen in the forward bookings for our hotel properties. Despite the strengthening of the Rupee, Sri Lanka remains an affordable tourist destination. This affordability, coupled with the wide-ranging value proposition of its diverse landscape, cultural heritage and unique offerings that appeal to a broader range of traveller demographics continues to enhance its attractiveness as a destination.

It is encouraging that Sri Lanka continues to gain traction as a top travel destination despite the absence of any destination marketing campaigns to promote the country. In CY2024, Sri Lanka tourism received 15 international endorsements, including recognitions from Forbes and BBC. Given the strategic importance of tourism to Sri Lanka and the recovery momentum we are witnessing after consecutive years of severe disruption to the industry, we urge the authorities to expeditiously implement a targeted destination marketing campaign in a few key source markets which has been delayed for many years. It is also imperative that the authorities fast-track the construction of the new airport terminal. The strong economic growth in India and the resultant increase in outbound travel from India, similar to what China witnessed over the last two decades, is a significant opportunity for Sri Lanka, particularly considering the proximity to key Indian cities. Tourism will be a key catalyst to drive the continued recovery of the economy, particularly in the context of the positive impact it will have on foreign exchange earnings and improving disposable incomes considering the cascading and multiplier effects of tourism.

With the successful implementation of key reforms, Sri Lanka's priority must shift towards driving sustainable growth. It is essential to identify high-impact areas that can propel long term economic momentum while fostering investor confidence. While investors have shown a keen interest in the past, some have taken a 'wait-and-see' approach till such time key issues such as the default rating were resolved. Strengthening Sri Lanka's investment landscape requires decisive action, ensuring that economic policies and structural reforms support a climate of stability, opportunity, and long term prosperity. To this end, the Government must accelerate critical investment opportunities in areas such as implementation of Public-Private Partnerships (PPPs), divestment, or at a minimum, the dilution of its holdings of non-core State-Owned-Enterprises (SOEs) and addressing barriers in trade and ease of doing business.

We approach the future with confidence and optimism as our landmark investments begin to yield results. We remain confident that the nation is on the path towards a sustained recovery. The prevailing socioeconomic stability provides a strong foundation to accelerate business growth and broader economic expansion. Following a prolonged period of uncertainty, these improvements will enable driving greater investor confidence, economic resilience, and a sustained long term recovery. While addressing the demands for improved governance is a pre-requisite, and encouraging, a focus on implementing other plans for public sector reform will be crucial to achieving long term, sustainable growth through technological improvements, knowledge transfer and enhanced productivity.

Summarised below are the key operational and financial highlights during the year under review.

(Rs.'000)	Recurring EBITDA*			
	2024/25	2023/24	Variance	%
Transportation	7,318,145	7,570,157	(252,012)	(3)
Consumer Foods	6,684,040	4,992,718	1,691,323	34
Retail	10,944,493	8,762,069	2,182,424	25
Leisure	4,527,470	9,059,055	(4,531,585)	(50)
City of Dreams Sri Lanka	*(4,743,044)*	*(1,062,610)*	*(3,680,434)*	*(346)*
Leisure excl. City of Dreams Sri Lanka	*9,270,514*	*10,121,666*	*(851,151)*	*(8)*
Property	1,440,953	(822,302)	2,263,256	275
Financial Services	10,908,647	9,296,200	1,612,447	17
Other, incl. Information Technology and Plantations Services	3,865,682	4,938,374	(1,072,692)	(22)
Group	**45,689,430**	**43,796,270**	**1,893,160**	**4**
Group excl. City of Dreams Sri Lanka	**50,432,475**	**44,858,880**	**5,573,594**	**12**

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

- The year under review has been a pivotal one for the Group, marked by bold investments coming to fruition with the successful launch of two of the Group's most ambitious and largest investments to date – City of Dreams Sri Lanka and the West Container Terminal (WCT-1) at the Port of Colombo. These landmark developments represent transformative opportunities, poised to serve as catalysts for economic growth, reinforcing Sri Lanka's position as a logistics and leisure hub in the region.
- The Group's financial performance remained in line with our expectations, driven by the strength of our consumer-focused businesses which gained momentum quarter after quarter. As anticipated, overall Group EBITDA was affected by the substantial pre-opening, ramp-up, and operating expenses at the City of Dreams Sri Lanka integrated resort.
- Recurring EBITDA, excluding City of Dreams Sri Lanka, is an increase of 12% to Rs.50.43 billion against the comparative period [2023/24: Rs.44.86 billion], demonstrating the steady growth in the underlying businesses.
- Group recurring PBT, excluding City of Dreams Sri Lanka, stood at Rs.22.93 billion, a 60% increase against the comparative period [2023/24: Rs.14.36 billion].
- The Cinnamon Life hotel is currently fully operational with the launch of all restaurants and bars, conferencing spaces and outdoor locations. The hotel has been positively received by the market, both locally and internationally, with encouraging demand and bookings for the various spaces at the property. The completion of the remaining elements of the City of Dreams Sri Lanka integrated resort project is progressing well, with the fit-out and finishing works relating to the 113-key Nuwa hotel and the casino near complete for its planned opening in August 2025.
- WCT-1, the Port of Colombo's first automated deep-water terminal, and a milestone project for the Group, commenced its first phase of commercial operations in 4Q 2024/25. The throughput to date has been encouraging and this momentum is expected to accelerate over the coming quarters.
- Despite the translation impact of a stronger Rupee compared to the previous financial year, the profitability of SAGT recorded an increase driven by a 14% growth in volumes and an improvement in the mix. LMS recorded a strong volume growth of 15%, although profitability was impacted due to a contraction in margins mainly on account of intensified competition and a temporary oversupply of inventory.
- The significant increase in the Consumer Foods EBITDA is attributable to both the Beverages and Confectionery businesses, driven by volume growth and improved margins.
- The Supermarket business recorded a strong performance during the year, with same store sales recording a growth of 14.2% on the back of increased customer footfall.
- John Keells CG Auto (JKCG) established its New Energy Vehicles (NEV) business during the year, and the pipeline of vehicle bookings received by JKCG for its BYD NEV range is significantly higher than expected. Based on the current order book and expectations of deliveries in the ensuing quarter, the earnings are expected to be material in the context of the Group's performance.
- The Sri Lankan Resorts segment recorded an increase in profitability on the back of a sustained recovery in tourist arrivals to the country, although offset by a decrease in profitability in the Maldivian Resorts and Colombo Hotels segments, mainly due to one-off impacts.
- The Property industry group recorded an increase in profitability driven by sales at Cinnamon Life and VIMAN development projects, and profit recognition from real estate sales in Digana, through Rajawella Holdings (Private) Limited.
- NTB recorded a strong growth in profitability on account of robust loan growth, while UA recorded a growth of 15% in its gross written premiums, stemming from an increase in renewal premiums and regular new business premiums.
- The Group's carbon footprint per million rupees of revenue, inclusive of the expanded operational boundary, increased by 7%. In contrast, water withdrawal per million rupees of revenue decreased by 8%.
- Following the success of deployed use cases, particularly in Supermarket, Confectionery, and Beverages, a roadmap for advanced analytics use cases was developed for the Transportation, Leisure and Insurance businesses during the year. Encouraging progress from these use cases affirms that the material value observed during pilot studies can be maintained at scale.

GROUP PERFORMANCE

For the financial year 2024/25, Group revenue (excluding equity accounted investees) recorded a growth of 13% to Rs.317.38 billion. Group recurring EBITDA recorded an increase of 4% to Rs.45.69 billion [2023/24: Rs.43.80 billion]. Group recurring EBITDA includes substantial expenses pertaining to the pre-opening, ramp-up and operating expenses related to the City of Dreams Sri Lanka integrated resort. Group recurring EBITDA, excluding City of Dreams Sri Lanka, is an increase of 12% to Rs.50.43 billion against the comparative period [2023/24: Rs.44.86 billion], demonstrating the steady growth in the underlying businesses. Growth in recurring EBITDA was mainly driven by higher profits in the Supermarket, Consumer Foods and Financial Services businesses.

The Group recurring profit before tax (PBT) decreased by 11% to Rs.14.72 billion from Rs.16.59 billion recorded in the previous year. Group recurring PBT includes net exchange gains of Rs.888 million compared to net exchange gains of Rs.3.37 billion in the previous year as a result of the impact of the appreciation of the Rupee, primarily on account of the net US Dollar denominated cash holdings at the Holding Company and the USD 207 million term loan facility at Waterfront Properties (Private) Limited (WPL), the project company of the City of Dreams Sri Lanka integrated resort. Excluding the exchange impact, Group recurring PBT increased by 5% to Rs.13.83 billion.

Upon the commencement of operations of the Cinnamon Life hotel in October 2024, the Group started recognising the depreciation charge and interest expense in the income statement, amounting to Rs.2.23 billion and Rs.2.06 billion, respectively, for the six-month period ending 31 March 2025. Group recurring PBT, excluding the City of Dreams Sri Lanka integrated resort, stood at Rs.22.93 billion, a 60% increase against the comparative period [2023/24: Rs.14.36 billion]. While these charges affect the profitability in the immediate term, we are confident these impacts will be more than off-set by the increase in revenue and profitability once the Cinnamon Life hotel and the rest of the City of Dreams Sri Lanka operations ramp-up over the next few quarters.

The recurring profit attributable to equity holders of the parent decreased by 49% to Rs.5.19 billion for the financial year ended 31 March 2025. The recurring profit attributable to equity holders of the parent, excluding the City of Dreams Sri Lanka integrated resort, increased by 67% to Rs.13.34 billion [2023/24: Rs.8.00 billion].

Company PBT for 2024/25 at Rs.3.67 billion is a decrease against the Rs.4.26 billion recorded in the previous year, mainly on account of dividend receipts and a decrease in interest income due to lower USD interest rates, combined with the appreciation of the Sri Lankan Rupee which impacted the translation of the US Dollar denominated interest income. The Holding Company's finance costs recorded a decline, mainly on account of a lower interest charge on the convertible debentures issued to HWIC Asia Fund (HWIC) compared to the previous year as the debentures were converted.

RIGHTS ISSUE FOLLOWED BY A SUB-DIVISION OF ORDINARY SHARES

As disclosed in the third quarter Interim financials, the Company carried out a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares. The Company raised Rs.24.04 billion through the Rights Issue of 150,263,595 new ordinary shares at an issue price of Rs.160 per share. The Rights Issue was oversubscribed, and the new Ordinary Shares allotted from the Rights Issue were listed on 22 October 2024.

The proceeds of the Rights Issue will be used to support the project funding requirement at WPL, the developer of the City of Dreams Sri Lanka integrated resort. As of 31 March 2025, Rs.9.00 billion of the proceeds has been infused as equity to WPL. The balance was utilised to reduce the outstanding borrowings at the Holding Company – which will be redrawn as and when needed to fund the requirements of WPL.

Subsequent to the completion of the Rights Issue, the Company carried out a Sub-division of its ordinary shares in the proportion of one (1) existing ordinary share being subdivided into ten (10) ordinary shares. Accordingly, 1,652,899,552 shares in issue as of 28 October 2024 were subdivided into 16,528,995,520 ordinary shares.

CONVERSION OF BALANCE CONVERTIBLE DEBENTURES ISSUED TO HWIC

As announced to the Colombo Stock Exchange on 24 January 2025, HWIC exercised its option to convert the final remaining balance of 98,125,000 debentures, with a face value of Rs.12.76 billion. As previously announced on 29 February 2024, HWIC had already converted 110,000,000 debentures.

JKH issued and listed 1,079,375,000 new ordinary voting shares of the Company, as adjusted for the Rights Issue and Sub-division of shares, as approved by the Shareholders at the outset on 4 August 2022. The dilution from this conversion is 6.13%, based on the number of ordinary voting shares outstanding as of 22 January 2025. There are no outstanding convertible debentures as all debentures originally issued have now been fully converted.

"Group recurring EBITDA includes substantial expenses pertaining to the pre-opening, ramp-up and operating expenses related to the City of Dreams Sri Lanka integrated resort. Group recurring EBITDA, excluding City of Dreams Sri Lanka, is an increase of 12% to Rs.50.43 billion against the comparative period [2023/24: Rs.44.86 billion], demonstrating the steady growth in the underlying businesses. Growth in recurring EBITDA was mainly driven by higher profits in the Supermarket, Consumer Foods and Financial Services businesses."

TRANSPORTATION

The Transportation industry group recurring EBITDA of Rs.7.32 billion in 2024/25 is a decrease of 3% over the recurring EBITDA of the previous financial year [2023/24: Rs.7.57 billion]. The recurring EBITDA for 2023/24 eliminates a one-off deferred tax credit amounting to Rs.1.20 billion in the Group's Ports and Shipping business, South Asia Gateway Terminals (SAGT), as the share of results of equity accounted investees are consolidated net of all related taxes.

Despite the translation impact of a stronger Rupee compared to the previous financial year, the profitability of SAGT recorded an increase driven by a 14% growth in volumes and an improvement in the mix. Overall volumes were driven by a growth in both domestic and transshipment volumes due to increased demand from continued disruptions in the Red Sea and an increase in global trade. SAGT handled over 2 million TEUs for the third time in the history of its operations.

LMS recorded a strong volume growth of 15% in comparison to the previous year, although profitability was impacted due to a contraction in margins mainly on account of intensified competition, the temporary oversupply of inventory and the translation impact due to the appreciation of the Rupee. However, the margins of the business recovered in the fourth quarter of 2024/25 due to the stabilisation of import volumes in to the country and the narrowing of oil price difference between Indian ports and Sri Lanka.

I am pleased to state that the WCT-1, the Port of Colombo's first automated deep-water terminal, and a milestone project for the Group, commenced its first phase of commercial operations in the fourth quarter of the financial year with the welcoming of an inaugural test vessel in February 2025. WCT-1 received a mothership from a leading global shipping liner in the month of April 2025 which showcased its full operational capability. The first phase of operations will increase the overall capacity of the Port of Colombo by 1.6 million TEUs, once scaled up.

Although in its very early stages of operations, the throughput to date has been encouraging, and this momentum is expected to accelerate over the coming quarters.

The terminal is equipped to handle ultra-large container vessels, significantly enhancing capacity and operational flexibility at the Port of Colombo. WCT-1 is setting a new benchmark for sustainable maritime logistics in South Asia, leveraging advanced technology and eco-friendly operations to drive efficiency while minimising environmental impact. A key component of its green strategy is the complete electrification of equipment. Once fully operational, the terminal is expected to provide approximately 300 direct and 2,000 indirect employment opportunities.

Transportation

Revenue incl. Associates		Recurring EBITDA	
Rs.**73,227** million 2023/24: Rs.68,916 million	6%	Rs.**7,318** million 2023/24: Rs.7,570 million	(3%)
Recurring PBT		**Recurring PAT**	
Rs.**6,364** million 2023/24: Rs.6,401 million	(0.6%)	Rs.**6,126** million 2023/24: Rs.6,267 million	(2%)

"Given the anticipated rapid growth in regional container volumes and demand, the terminal has the potential to achieve a cash-positive position within the first year of operations, subject to the impacts on regional and global trade dynamics. Similarly, as growth accelerates quarter on quarter, it is expected that the run rate of volumes in the fourth quarter, if market dynamics remain, will enable earnings to be at breakeven."

This groundbreaking development strengthens both the Port of Colombo's capabilities and Sri Lanka's position as a leading regional maritime hub. The full completion of construction of the terminal is on track for the second half of 2026/27.

In terms of reporting and Group consolidation, WCT-1 is classified as an equity accounted investee, which records the Group's share of profit after tax. During the initial operational ramp-up period, the depreciation and amortisation expenses will be material considering the project cost of phase 1, which is estimated at approximately USD 450 million, thereby impacting reported earnings. However, given the anticipated rapid growth in regional container volumes and demand, the terminal has the potential to achieve a cash-positive position within the first year of operations, subject to the impacts on regional and global trade dynamics. Similarly, as growth accelerates quarter on quarter, it is expected that the run rate of volumes in the fourth quarter, if market dynamics remain, will enable earnings to be at breakeven. This positive outlook underscores the terminal's strategic importance and long term value creation capability within the Group's portfolio.

CONSUMER FOODS

The Consumer Foods industry group recurring EBITDA of Rs.6.68 billion in 2024/25 is an increase of 34% over the recurring EBITDA of the previous financial year [2023/24: Rs.4.99 billion]. The significant increase in EBITDA is attributable to both the Beverages and Confectionery businesses, driven by volume growth and improved margins.

Sustaining the encouraging growth momentum witnessed in the previous quarters, the Beverages (carbonated soft drinks segment) and Confectionery businesses recorded volume growth of 16% and 22%, respectively. The strong growth in volumes was due to an increase in consumer activity, improved seasonal sales and favourable weather conditions. Volumes in the Confectionery business were driven by higher sales in the Bulk segment followed by the Impulse segment which comprises of higher margin products. Both the Beverages and Confectionery businesses recorded a sustained improvement in margins on account of lower raw material prices, electricity costs and the increased operating leverage due to higher volumes enabling absorption of fixed costs.

During the year, the business expanded its rollout of use cases in the advanced analytics transformation journey. The results of many of the active use cases continue to be encouraging with buy-in from the key stakeholders such as distributors and sales representatives.

Consumer Foods			
Revenue Rs.38,669 million 2023/24: Rs.32,897 million	18%	**Recurring EBITDA** Rs.6,684 million 2023/24: Rs.4,993 million	34%
Recurring PBT Rs.4,932 million 2023/24: Rs.2,957 million	67%	**Recurring PAT** Rs.3,468 million 2023/24: Rs.2,157 million	61%

"Sustaining the encouraging growth momentum witnessed in the previous quarters, the Beverages (carbonated soft drinks segment) and Confectionery businesses recorded volume growth of 16% and 22%, respectively. The strong growth in volumes was due to an increase in consumer activity, improved seasonal sales and favourable weather conditions."

The Confectionery business is actively exploring expansion beyond its core frozen confectionery offerings into adjacent categories that align with evolving consumer preferences. New product introductions will be strategically guided by market demand and commercial feasibility, leveraging existing manufacturing and distribution strengths to enhance market reach and competitiveness.

The Convenience Foods business recorded an increase in profitability driven by an improvement in volumes. The increase in demand is due to a rise in consumer activity on the back of a stable economy, which also resulted in consumers shifting their spend towards more discretionary items. The strategic price revisions undertaken in the previous year, which improved product affordability, also contributed towards volume growth.

RETAIL

The Retail industry group recurring EBITDA of Rs.10.94 billion in 2024/25 is an increase of 25% over the recurring EBITDA of the previous financial year [2023/24: Rs.8.76 billion]. The Supermarket business recurring EBITDA of Rs.9.77 billion in 2024/25 is an increase of 28% against the previous financial year [2023/24: Rs.7.64 billion].

The Supermarket business recorded a strong performance during the year, with same store sales recording a growth of 14.2% driven by increased customer footfall. Growth in same store footfall was driven by both existing and new customers, and the conversion from general trade to modern trade given the ability to offer a diverse range of products at various price points, coupled with the advantages passed on to customers through economies of scale and the Nexus loyalty programme. Initiatives in fresh categories contributed to improvements in fresh pricing, the enhancement of the prepared food offering and availability, which in turn attracted new customers, increased shopping frequency of existing customers and supported a higher overall margin.

The sustained increase in footfall is encouraging as it demonstrates the continued potential for higher penetration of certain customer segments and the benefits accruing from the use cases under the advanced data analytics transformation project. Margin improvement in comparison to competitors was supported through various advanced analytics initiatives undertaken by the business in key operational areas including supply chain, marketing and daily operational functions. Average basket values were marginally lower by 0.3% compared to last year as the growth in the weight of purchase (the average number of units within a basket), was offset by a relatively steeper decrease in retail selling prices due to the deflation witnessed from the second quarter of 2024/25 onwards.

With the macroeconomic environment stabilising and construction costs declining from peak levels, the business accelerated its outlet expansion plan in the latter half of the year. Six new outlets were opened, while two were closed, bringing the total to 138 as of 31 March 2025. The number of new outlets planned for the upcoming year is significantly higher than 2024/25.

To expand its brand and outlet network, the business utilises both standard and extended formats, tailored to the locality's income distribution, market maturity, and competitive landscape. As a part of its brand expansion efforts, three outlets were upgraded to the extended format during the year.

The Office Automation business experienced strong growth in both mobile phone and office automation sales volumes, supported by deflationary conditions for most of the year and the appreciation of the Rupee, which enabled the transfer of pricing benefits to customers. Despite intense competition in the mobile phone market, the business successfully launched new products and maintained its competitive edge throughout the year.

During the year under review, the Group established the operations of its NEV business, John Keells CG Auto (Private) Limited (JKCG), and launched sales following the Government's removal of the four-year restriction on private vehicle imports in February 2025. This milestone marks a strategic expansion into the sustainable mobility sector, giving the Group a higher exposure to the country's consumer market and reinforcing our commitment to environmental responsibility.

The total orders received to date have exceeded expectations with BYD capturing a fair share of the market. The business proactively undertook the necessary steps to import the first batch of vehicles of several models, with the first shipment of 500 vehicles arriving in March 2025. The handover of vehicles commenced from April onwards. The remaining shipments needed to fulfil the order book is already scheduled, with some arriving in the country in April and May.

Retail			
Revenue incl. Associates Rs.138,337 million 2023/24: Rs.122,502 million	13%	**Recurring EBITDA** Rs.10,944 million 2023/24: Rs.8,762 million	25%
Recurring PBT Rs.5,197 million 2023/24: Rs.2,933 million	77%	**Recurring PAT** Rs.3,696 million 2023/24: Rs.2,051 million	80%

"The Supermarket business recorded a strong performance during the year, with same store sales recording a growth of 14.2% driven by increased customer footfall. Growth in same store footfall was driven by both existing and new customers, and the conversion from general trade to modern trade given the ability to offer a diverse range of products at various price points, coupled with the advantages passed on to customers through economies of scale and the Nexus loyalty programme."

Profit on the vehicles will be recognised upon the handover of vehicles to customers. JKCG, together with BYD, have taken steps to ensure the order to delivery cycle is optimised, which will result in a shorter lead time of deliveries and revenue recognition. Based on the current order book, the market potential for NEVs and expectations of deliveries in the ensuing quarters, the earnings are expected to be material in the context of the Group's performance.

JKCG expanded its customer reach through strategic partnerships with dealerships in a few key locations in the country. JKCG will continue to optimise the Keells supermarket network and other business locations across the country to create the necessary ecosystem required for the NEV business. Ten electric vehicle chargers were installed in September 2024 at key Keells supermarket locations, augmenting the on-going expansion of the network by other players.

I am pleased to state that JKCG has also been chosen as BYD's partner for marketing commercial vehicles in Sri Lanka, marking another key milestone for the business. While the business is yet to launch this officially, the commercial vehicle segment offers significant potential, although the charging infrastructure will also need to be developed to fully capitalise on the opportunity to electrify commercial vehicle fleets.

LEISURE

The Leisure industry group recurring EBITDA of Rs.4.53 billion in 2024/25 is a decrease of 50% against the recurring EBITDA of the previous financial year [2023/24: Rs.9.06 billion]. Excluding the City of Dreams Sri Lanka integrated resort, which carries substantial costs pertaining to the opening and operating of the Cinnamon Life hotel from October 2024 onwards, the Leisure industry group recurring EBITDA is Rs.9.27 billion, an 8% decline over the previous financial year.

The PBT of the Leisure industry group was significantly impacted by the recognition of the depreciation charge and interest expense upon the commencement of the operations of the Cinnamon Life hotel, amounting to a total of approximately Rs.4.29 billion, as explained in the section on City of Dreams Sri Lanka. PBT of the Leisure industry group also includes a non-cash exchange gain of Rs.856 million on the USD 207 million term loan facility at WPL due to the appreciation of the Rupee against the USD [2023/24: Rs.3.00 billion]. Excluding the City of Dreams Sri Lanka integrated resort, the Leisure industry group recurring PBT is flat at Rs.1.08 billion in comparison to the previous year.

The Sri Lankan Resorts segment recorded an increase in profitability on the back of a sustained recovery in tourist arrivals to the country, although offset by a decrease in profitability in the Maldivian Resorts and Colombo Hotels segments.

In line with overall tourist arrivals to the country, the Group's Sri Lankan Leisure businesses witnessed an encouraging recovery in occupancies and ARRs, especially during the peak winter season. The beach resorts, in particular, recorded a strong performance, particularly in the second half of 2024/25, driven by increased arrivals.

Despite the substantial increase in Colombo's luxury hotel inventory of over 1,200 rooms, the Colombo Hotels segment recorded an increase in both ARRs and occupancies, although profitability was impacted by the lower contribution from Cinnamon Grand Colombo due to a one-off voluntary retirement scheme (VRS) cost relating to right-sizing of its operations and the strategic closure of select restaurants. Excluding the one-off VRS costs incurred during the year, EBITDA recorded a marginal decline of 2% in comparison to the previous year. The increase in occupancy indicate strengthening demand and demonstrates that Colombo is gaining momentum as a preferred destination.

Profitability of the Maldivian Resorts segment in US Dollar denominated terms was impacted by a marginal decrease in both ARRs and occupancies for 2024/25, and a substantial bad debt provision following the insolvency filing of a leading European tour operator. Excluding the impact from the bad debt provision, EBITDA recorded a decline of 10% in comparison to the previous year. These impacts, coupled with the impact of the appreciation of the Sri Lankan Rupee, resulted in a lower translation to Sri Lankan Rupee profits. However, the performance of the Maldivian Resorts segment noted an uptick in the second half of the year in tandem with peak arrivals during the winter season. Occupancies, although marginally lower, remained resilient despite the high level of competition in the market. It is encouraging to note that occupancies of the Maldivian Resorts segment outperformed the 71% industry average occupancy across all resorts in the Maldives.

The Destination Management segment witnessed a recovery during the year in line with the growth in tourist arrivals to Sri Lanka, and an increase in the revenue per pax handled.

In February 2025, the Group commenced operations of Kandy Myst by Cinnamon, a 215-room hotel located in the heart of Kandy. The property offers a modern hospitality experience along with convenient access to key attractions in the city. Initial feedback received on the property has been encouraging. The property was jointly developed by John Keells Hotels PLC and Indra Traders (Private) Limited. This development is based on an asset-light investment model where the Group has a 40% minority equity stake. The management of the hotel will fall under the purview of the Hotel Management sector within the Leisure industry group.

Leisure

Revenue excl. CODSL Rs.47,895 million 2023/24: Rs.48,166 million	(1%)	**Recurring EBITDA excl. CODSL** Rs.9,271 million 2023/24: Rs.10,122 million	(8%)
Recurring PBT excl. CODSL Rs.1,078 million 2023/24: Rs.1,081 million	(0.3%)	**Recurring PAT excl. CODSL** Rs.370 million 2023/24: Rs.794 million	(53%)

CHAIRPERSON'S MESSAGE

"The commitment by Melco to invest USD 125 million, one of the largest foreign investments since the economic crisis, lend their City of Dreams and Nuwa brands to the project, and come on board as a long term operator for both the Casino and the Nuwa hotel, reflects not only strong confidence in the country, but is also a testament to the quality of the offering at the integrated resort."

City of Dreams Sri Lanka

As previously disclosed in the Interim financial statements, the 687-key Cinnamon Life hotel, restaurants and banquet facilities commenced operations on 15 October 2024. This marked a significant culmination of events for the Group's iconic integrated resort, which has been under construction over the last decade. The hotel is currently fully operational, with all restaurants and bars, conferencing spaces and outdoor locations functioning. The hotel has been positively received by the market, both locally and internationally, with encouraging demand and bookings for the various event spaces at the property. Over 1,400 new employees have been onboarded and trained with the requisite skills to operate the Cinnamon Life hotel, in line with international luxury standards.

As expected, the occupancy for the hotel will have a slow ramp-up till demand for conferences and foreign events gather momentum, particularly given the lag effect for such bookings to materialise post the opening of a new hotel. The opening of the casino in August 2025 is expected to be a significant catalyst in driving occupancies as well.

The Group recognised the depreciation charge and interest expense attributable to the Cinnamon Life hotel component, in the income statement, amounting to Rs.2.23 billion and Rs.2.06 billion, respectively, upon the commencement of the operations of the hotel. While this project will be a significant driver of Group performance in the years to come, the commencement of operations resulted in an impact on profitability, in the short term, due to the aforementioned depreciation and interest charge as well as the costs associated with the operations of the hotel. The Group is confident that these impacts will be more than off-set by the increase in revenue and the resultant profitability once the Cinnamon Life hotel and the operations of the rest of the components of City of Dreams Sri Lanka ramp-up over the next few quarters. The depreciation charge on the totality of the integrated resort will be recorded in 2025/26 once the Nuwa hotel is also operational. The components of the interest expense attributable to the construction of the Nuwa hotel and gaming space will similarly be recorded in the income statement once operations commence, although these are not material in the context of the charge for the rest of the property.

Following the finalisation of Melco as the casino operator and the re-branding of the integrated resort, discussions with potential tenants of the retail mall have progressed more definitively, to ensure the presence of unique attractions and offerings in the mall, while optimising the commercial aspects for WPL. Advanced discussions are underway regarding experiential offerings centred around restaurants and bars, lifestyle, and entertainment to complement the hotel and gaming operations. The progress on the lease-ups of the retail mall is progressing well with some tenants working on the fit-out plans.

The remaining elements of the City of Dreams Sri Lanka integrated resort project is progressing well, with the fit-out and finishing works relating to the 113-key Nuwa hotel and the casino near complete for its planned opening in August 2025. Over the next few months, gaming equipment will be installed, ensuring operational readiness. The recruitment and training of staff for the Nuwa hotel and casino is progressing well with many key positions already onboarded.

The commitment by Melco to invest USD 125 million, one of the largest foreign investments since the economic crisis, lend their City of Dreams and Nuwa brands to the project, and come on board as a long term operator for both the Casino and the Nuwa hotel, reflects not only strong confidence in the country, but is also a testament to the quality of the offering at the integrated resort. The impact of the project on tourism and the economy are expected to be significant, mirroring the success of integrated resorts in the region - even in more advanced markets like Singapore. Melco's active role in shaping the project further strengthens its alignment with JKH, reinforcing the development's potential.

The Group is confident that the convergence of all elements in the launch of City of Dreams Sri Lanka will unlock its full potential as a transformative development in South Asia and be a catalyst in creating tourism demand, foreign exchange earnings for Sri Lanka and generating employment.

PROPERTY

The Property industry group recurring EBITDA of Rs.1.44 billion in 2024/25 is an increase of 275% against the recurring EBITDA of the previous financial year [2023/24: negative Rs.822 million]. Recurring EBITDA includes fair value gains on investment property amounting to Rs.795 million mainly pertaining to the Office tower at WPL [2023/24: Rs.233 million], while the EBITDA in 2023/24 includes an asset write-off amounting to Rs.639 million relating to the closure and demolishing of the K-Zone mall in Ja-Ela for the development of the VIMAN residential project.

The increase in the profitability is driven by the profit recognition from sales at the Cinnamon Life and the VIMAN development project and profit recognition from real estate sales in Digana, through Rajawella Holdings (Private) Limited.

The Group's residential and office towers at WPL have witnessed a resurgence in interest in recent months. As of 31 March 2025, the business recorded cumulative sales of 294 residential units and 5 office floors, with 13 office floors leased. Notably, interest in office space has strengthened significantly, driven by the appeal of premium-grade facilities within a landmark development.

Property

Revenue incl. Associates Rs. 10,227 million 2023/24: Rs.5,234 million	95%	**Recurring EBITDA** Rs. 1,441 million 2023/24: Rs.(822) million	275%
Recurring PBT Rs. 1,184 million 2023/24: Rs.(857) million	238%	**Recurring PAT** Rs. 1,123 million 2023/24: Rs.(569) million	297%

"In April 2024, the handover of units at TRI-ZEN commenced marking the completion of one of Colombo's largest residential development projects, centrally located in the city. The handover of approximately 85% of the units sold was the largest single handover in Sri Lanka during a year."

The Group is confident that the residential sales momentum will continue, if not accelerate, this year, given the completion of the integrated resort and the impending opening of the gaming space. Further, the cost of constructing similar apartments today would be significantly higher, where existing units will be an attractive and valuable proposition with no new inventory in the luxury segment pipeline.

In April 2024, the handover of units at TRI-ZEN commenced marking the completion of one of Colombo's largest residential development projects, centrally located in the city. The handover of approximately 85% of the units sold was the largest single handover in Sri Lanka during a year. The handover of the rest of the units continues to be underway. TRI-ZEN has maintained an encouraging momentum in sales during the year, where the cumulative sales and purchase agreements (SPAs) signed increased by 37 units to 737 SPAs. Given the completion of the project and an increase in consumer sentiments, coupled with a stable macroeconomic environment, TRI-ZEN outperformed competition in the Metropolitan spaces segment. This is despite a slowdown due to secondary market sales of TRI-ZEN units, which is a typical market dynamic post completion of a development project.

The sales interest for the VIMAN residential development project, located in the heart of Ja-Ela, a suburban area in close proximity to Colombo, continues to be encouraging since its launch in September 2023. VIMAN offers the distinct advantage of proximity to the Colombo Port access highway, facilitating convenient connectivity between Ja-Ela and Colombo. Given the significant traction for the project, the second phase, comprising of 76 units, was launched in March 2024 and the third phase of the project was also launched in March 2025. Whilst the suburban residential segment remains price sensitive, the business witnessed encouraging demand from new customers and non-traditional buyer segments. The cumulative SPAs signed for all phases launched increased to 164, with 102 units remaining to be sold. Construction of the project began in September 2024 and is progressing well for the first and second phases of the project. Revenue recognition commenced from the fourth quarter of 2024/25, with approximately 10% of total revenue from apartment sales being recognised in 2024/25. Revenue recognition will follow a gradual ramp-up, occurring proportionally with the progress of construction.

FINANCIAL SERVICES

The Financial Services industry group recurring EBITDA of Rs.10.91 billion in 2024/25 is an increase of 17% over the recurring EBITDA of the previous financial year [2023/24: Rs.9.30 billion]. The strong growth in profitability was driven by Nations Trust Bank PLC (NTB). NTB and Union Assurance PLC (UA) contributed Rs.5.62 billion and Rs.4.94 billion, respectively, to Group EBITDA, both of which are meaningful to overall Group performance.

Despite a declining interest rate environment, strategic repricing of assets and liabilities helped limit the reduction in Net Interest Margins (NIM) to 6.94% in CY2024, compared to 7.72% in CY2023. The loan portfolio grew by an encouraging 24%, reflecting the pick-up in economic growth and lower interest rates. After assessing options under the Government's External Debt Restructuring programme, NTB opted to exit its International Sovereign Bond (ISB) portfolio. Given NTBs relatively low exposure to ISBs, the sale had minimal impact on capital, liquidity, and financial stability, ultimately contributing a net gain to profitability. NTB's return on equity continued to outperform its industry peers with a ROE of 24% for CY2024.

During the year under review, UA recorded a growth of 15% in its gross written premiums, primarily driven by an increase in renewal premiums and regular new business premiums. UA has built on its position as a dominant player in the bancassurance industry in Sri Lanka, with higher banking penetration facilitated by strategic bancassurance partnerships with leading banks. In January 2025, UA established an exclusive bancassurance partnership with Sampath Bank PLC, a leading private commercial bank in the country. While the investment in this partnership will have a short term impact on shareholder profitability, UA has seen positive traction with this partnership which will drive customer acquisition and GWP growth in the medium to long term. UA sustained its profitability during the year, despite the increase in costs related to the expansion of its distribution channels. UA recorded an annual life insurance surplus of Rs.3.00 billion in 2024/25, an increase against the surplus of Rs.2.80 billion recorded in the previous year, mainly arising from an increase in GWP and increased net investment income.

John Keells Stockbrokers recorded a recovery in performance, largely driven by the strong momentum of the Colombo Stock Exchange (CSE) and onboarding of new clients.

Financial Services

Revenue incl. Associates	Rs.38,141 million	2023/24: Rs.33,336 million	14%
Recurring EBITDA	Rs.10,909 million	2023/24: Rs.9,296 million	17%
Recurring PBT	Rs.10,878 million	2023/24: Rs.9,293 million	17%
Recurring PAT	Rs.9,367 million	2023/24: Rs.7,794 million	20%

"Despite a declining interest rate environment, strategic repricing of assets and liabilities helped limit the reduction in Net Interest Margins (NIM) to 6.94% in CY2024, compared to 7.72% in CY2023. The loan portfolio grew by an encouraging 24%, reflecting the pick-up in economic growth and lower interest rates."

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

The Information Technology sector recurring EBITDA of Rs.599 million in 2024/25 is an increase of 44% over the recurring EBITDA of the previous financial year [2023/24: Rs.415 million]. The profitability of the Information Technology sector improved mainly due to John Keells IT as a result of onboarding of new clients and cost management initiatives.

The Plantation Services sector recurring EBITDA of Rs.312 million in 2024/25 is a decrease of 11% over the recurring EBITDA of the previous financial year [2023/24: Rs.350 million]. Profitability of the Plantation Services sector was impacted as a result of a decline in tea volumes.

In April 2025, JKH divested the totality of its 37.62% equity stake in Tea Smallholder Factories PLC, for a total consideration of Rs.395 million. This divestment is a part of the Group's regular portfolio reviews and resource allocation decisions.

Other, comprising of the Holding Company and other investments, the Information Technology and Plantation Services sectors, together, recorded a recurring EBITDA of Rs.3.87 billion in 2024/25, which is a decrease of 22% over the recurring EBITDA of the previous financial year [2023/24: Rs.4.94 billion]. The decline in EBITDA is mainly due to the translation impact on the foreign currency denominated interest income at the Holding Company on account of the appreciation of the Rupee. Despite the increase in borrowings at the Holding Company, PBT recorded a marginal improvement on account of the significant decrease in finance expense during the year under review. The decrease in finance expense is mainly on account of a lower interest charge on the convertible debentures issued to HWIC compared to the previous year as the debentures were partially converted in February 2024 and the remainder fully converted in January 2025. The total interest expense related to the convertible debentures amounted to Rs.1.80 billion compared to the Rs.3.83 billion in the previous year, which included notional non-cash interest of Rs.1.42 billion and Rs.3.02 billion, respectively. The increase in debt is on account drawdowns of loan facilities at the Holding Company during the year to fund infusions to the WPL and WCT-1 projects. The increased borrowings were settled mid-year utilising the proceeds from the Rights Issue, as outlined in the ensuing section.

Repayment of the USD 175 million term loan facility from the International Finance Corporation (IFC) commenced in December 2024. During the year, approximately USD 8 million in capital repayments were made, and the current outstanding loan balance is USD 167 million.

Other, Including Information Technology and Plantation Services

Revenue Rs.6,129 million 2023/24: Rs.6,057 million	↑ 1%	**Recurring EBITDA** Rs.3,866 million 2023/24: Rs.4,938 million	↓ (22%)
Recurring PBT Rs.(6,706) million 2023/24: Rs.(7,446) million	↑ 10%	**Recurring PAT** Rs.(9,181) million 2023/24: Rs.(9,610) million	↑ 5%

"Encouraging progress from these use cases affirms that the material value observed during pilot studies can be maintained at scale. Following the success of deployed use cases, particularly in Supermarket, Confectionery, and Beverages, a roadmap for advanced analytics use cases was developed for the Transportation, Leisure and Insurance businesses during the year."

ADVANCED ANALYTICS

OCTAVE, the Data and Advanced Analytics Centre of Excellence of the Group, operates as an independent advanced analytics practice, serving both Group companies and external clients.

The sustained macroeconomic stability enabled businesses to scale operations and complete several rollouts of use cases, finetuned through pilot projects, particularly in the Supermarket and Consumer Foods businesses. These bespoke end-to-end advanced analytics solutions are designed to address key business challenges, unlocking measurable financial impact while fostering data-driven decision-making across operations. Encouraging progress from these use cases affirms that the material value observed during pilot studies can be maintained at scale. Following the success of deployed use cases, particularly in Supermarket, Confectionery, and Beverages, a roadmap for advanced analytics use cases was developed for the Transportation, Leisure and Insurance businesses during the year.

In the third quarter of 2024/25, OCTAVE expanded its advanced analytics services to external clients, starting with businesses based in the United Kingdom. Although still in its early stages, initial traction has been very encouraging.

Additionally, the Group continued to promote and operate its OCTAVE Advanced Analytics Academy, offering virtual and classroom training, online courses, and curated on-the-job learning for roles linked to the analytics transformation programme. To date, over 440 participants have completed training, further strengthening the Group's commitment to upskilling talent and promoting a data-driven culture.

EMPLOYEES

The value creation process of the Group is built on our loyal and committed employees. I extend my gratitude to them for their unwavering contribution and dedication during the year under review.

Over the years, we have attracted the best talent towards building a strong team that reflects the diversity of the customers we serve and the communities we operate in. We continue to engage and encourage our employees to excel in their areas of oversight and influence, through a performance-oriented culture founded on ethical and transparent behaviour, which, in turn, promotes sustainable growth. Our people have been the foundation of the success of the Group, and, I believe, will continue to be a key differentiator going forward as well.

During the year, the Group-wide campaign to create awareness of the revised Group competency framework, Success Drivers, was rolled out, championed by a team of over sixty manager and above employees from the Group. The awareness sessions included real-life examples from the

Group and activities which were designed to demonstrate the outcomes expected from the core principles underpinning Success Drivers. The awareness sessions focused on assisting employees to identify behaviours and competencies that drive organisational success and how this is intertwined with their personal growth and career progression. Complementing the awareness sessions, a suite of training interventions was developed, providing employees with direct access to relevant online courses, articles, and videos via the learning management system, Bridge, fostering ongoing professional growth. Success Drivers will be used for individual employee assessments for the 2024/25 performance review cycle.

The Corporate Governance Commentary and the Human Capital Review sections of this Report explain in further detail the best practices, policies and procedures that are in place to ensure that John Keells is 'More Than Just a Workplace'.

ONE JKH – Our Diversity, Equity, and Inclusion Initiative

Launched in CY2020 with a view to consolidating our Group's efforts in diversity, equity, and inclusion (DE&I), ONE JKH has been committed to increasing female participation in our workforce towards achieving gender parity underpinned by meritocracy and equal opportunity, enhancing career opportunities for Persons with Disabilities (PWD) and ensuring inclusivity towards the LGBTIQ+ community.

In contrast to some recent global developments, where DE&I programmes are being challenged, the Group continues to stand firmly by the core belief that a truly inclusive workplace and a diverse workforce are essential to our success and the growth of Sri Lanka's economy. For us, this is not a passing trend or a need to be compliant, but instead an understanding of the business case for diversity, the engagement of all our talent, and also ensuring that John Keells is a respectful workplace for all. It is a foundational part of who we are, and a commitment we will uphold with integrity and purpose.

The initiatives we've implemented under ONE JKH - such as 100 days of equal parental leave, women-centric training, gender-neutral terminology, increasing female participation in nontraditional roles, mentoring, recognising domestic partnerships in our compensation and benefits, free sanitary napkins for all female staff members, having a clear road map across sectors to implement accessibility in our physical digital spaces, continuing to be a vocal corporate ally to the LGBTIQ+ community, ensuring economic empowerment for all and sessions, ensuring inclusivity towards the LGBTIQ+ community and sessions on addressing unconscious bias - are all designed to remove barriers and provide equal opportunities for everyone to succeed.

As mentioned last year, while the Group made its best efforts and carried out a lot of groundwork to break role stereotypes and drive workforce participation, we are, regretfully, not on track to meet our original 40% goal by the end of 2025/26. Upon reviewing the representation of women across all our businesses, we have revised the date to reach the target of 40% to end-2029/30. This revision reflects the challenges we have faced, both internally and on a broader scale, but it also reinforces our determination to continue working towards this goal, even if it requires more time. We remain steadfast in our commitment to improving female participation in our workforce and leadership levels.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INITIATIVES

Governance

The Group adheres to its Code of Business Conduct and Ethics, which is aligned with the principles of the Code of Best Practice on Corporate Governance 2023. I am pleased to report that there have been no material violations of the Code. Minor instances of non-compliance, identified through our internal monitoring mechanisms, have been addressed and these instances are disclosed in this Report. We remain firmly committed to upholding the Group Code of Conduct and related policies, with a strong emphasis on ethical and lawful practices, and a zero-tolerance stance on corruption, bribery, and any form of harassment or discrimination in the workplace or in any work-related context.

During the year under review, several initiatives were undertaken to further strengthen the Group's governance framework and controls, as explained below.

A comprehensive Board Charter was developed to document a clear and consistent governance structure for the JKH Board, aimed at enhancing oversight, accountability, and operational effectiveness across the Group. Moreover, in line with the revised Listing Rules of the CSE, the Group undertook a thorough reassessment of its internal policy framework and restructured the Board Committee framework for its listed subsidiaries, where separate Board Committees were established for each listed subsidiary. This marked a shift from the earlier practice where JKH's Board Committees provided the requisite oversight for all of the Group's listed entities, ensuring adherence to the Group's overarching governance principles. Going forward, while each respective subsidiary has its own Board Committee, the mandate of the parent company Board Committee will continue to ensure broad alignment of the Group's governing principles.

During the year, the Group conducted a comprehensive assessment on the business's financial processes to identify opportunities to optimise its processes and simplify the transactional aspects of financial reporting while looking to enhance the strategic value of financial insights with the aim of driving financial and business transformation leveraging technology, including the use or artificial intelligence platforms to optimise reporting. The initial assessment identified over 200 areas of improvement which are currently being evaluated for implementation. Although the Supermarket and Insurance businesses are already on the latest platform, the core system of the Group will be migrated to S/4 Hana, the latest SAP version, built on a single data structure and architecture, which enables faster and more informed decision making, enhanced flexibility, improved cost efficiency, and proactive planning.

"The Group made its best efforts and carried out a lot of groundwork to break role stereotypes and drive workforce participation, we are, regretfully, not on track to meet our original 40% goal by the end of 2025/26. Upon reviewing the representation of women across all our businesses, we have revised the date to reach the target of 40% to end-2029/30."

To enhance financial governance, a forensic data analytics platform was deployed for automated transaction outlier detection, to monitor key financial data such as accounts payable, accounts receivable, the general ledger and other financial transactions. Utilising machine learning and behavioural analytics, the platform bolstered fraud detection, risk mitigation, and regulatory compliance.

The Group also advanced its data governance practices by aligning them with the Personal Data Protection Act No. 09 of 2022. This included the designation of Data Protection Officers (DPOs), the formation of a dedicated Data Governance Steering Committee and engagement of external consultants to conduct a comprehensive gap analysis. These efforts enabled the Group to evaluate, strengthen and enhance technical, security, and organisational measures, to ensure compliance and safeguard stakeholder data.

JKH was ranked first as the 'Most Respected Entity' in Sri Lanka for the 19th year at the 20th annual edition of LMD's Most Respected Entities rankings. JKH has been placed first over the past four consecutive years in the Transparency in Corporate Reporting Assessment by Transparency International Sri Lanka (TISL), obtaining a 100% score for transparency in disclosure practices. During the period under review, the assessment was not conducted by TISL, and the most recent ranking remains in effect until a new assessment is carried out.

Further details on governance compliance and initiatives can be found in the Corporate Governance Commentary of this Report.

Integrated Reporting

This Report has been prepared in conformance with the Integrated Reporting Framework of the IFRS Foundation. The Board of Directors and the Group Executive Committee are responsible for ensuring the accuracy and integrity of this Annual Report. We confirm, to the best of our knowledge, the credibility, reliability and integrity of the information presented, and, in this regard, external assurance has also been sought from independent auditors, as applicable.

Sustainability

This Report presents the Group's sustainability performance in alignment with the Global Reporting Initiative (GRI) Standards. It outlines the Group's integrated approach to sustainable business practices, the underlying management framework, and a comprehensive overview of sustainability outcomes achieved during the reporting period.

"Our commitment to reducing the environmental footprint is reflected in a range of impactful sustainability initiatives implemented across the Group. As the first Sri Lankan company to be a signatory to the global 1t.org Pledge, an initiative of the World Economic Forum, the Group aims to plant 130,000 native trees by CY2030, contributing to global reforestation efforts and climate resilience."

The Group's strategy integrates sustainability across all business operations, with a strong emphasis on areas of material significance. Following a recent strategic review, the Group re-visited and re-validated its focus areas under the environmental and social pillars. Key environmental priorities include energy management and emissions reduction, water stewardship, responsible waste and packaging practices, and biodiversity conservation. On the social front, the Group has prioritised diversity and equal opportunity, workplace health & safety, community empowerment, and proactive stakeholder engagement. Beyond these core areas, the Group remains committed to continuous improvement by advancing employee training and development, promoting high standards of product stewardship, and embedding sustainability best practices throughout its value chain.

During the year under review, the Group initiated steps to align with SLFRS S1 and S2, the localised equivalents of IFRS S1 and S2 introduced by CA Sri Lanka to ensure readiness to meet the CSE's reporting requirements for 2025/26.

Our commitment to reducing the environmental footprint is reflected in a range of impactful sustainability initiatives implemented across the Group. As the first Sri Lankan company to be a signatory to the global 1t.org Pledge, an initiative of the World Economic Forum, the Group aims to plant 130,000 native trees by CY2030, contributing to global reforestation efforts and climate resilience. Through Plasticcycle, the Group continues to raise awareness on plastic pollution while promoting circular economy solutions. The Good Water initiative advances water stewardship by deploying ocean strainers that help divert waste from marine ecosystems. While these efforts are driven at the Group level and aligned with sector operations, additional targeted initiatives were undertaken by industry groups based on their material impacts during the year under review.

Among the businesses with the highest environmental impact, the Leisure industry group focused on optimising energy usage by monitoring high-consumption equipment through a digitised maintenance management platform. These efforts are supported by data analytics to improve energy efficiency in key operations. In addition, the hotels continued its efforts to eliminate single-use, guest-facing plastics, achieving a 47% reduction compared to the 2021/22 base year.

The Supermarket business further advanced its energy efficiency goals by continuously tracking energy use across all 138 outlets via its energy management platform. As a result, despite an increase in the number of outlets, both energy consumption and carbon emissions saw a reduction compared to previous years. The business has prioritised the use of energy-efficient refrigeration and cooling units, recognising their substantial contribution to overall energy demand. As a part of its ongoing efforts to reduce single-use plastics, the business achieved a 35% reduction in polythene bag usage and a 26% reduction in single-use fresh food packaging, although short of its 50% target, primarily due to the rising cost of compostable alternatives. Through the Keells food redistribution initiative, over 1 million kilograms of surplus food was donated to charitable organisations, and nearly 400,000 kilograms of produce was sold under the Perfectly Imperfect Products campaign. In the NEV business, our partnership with BYD has accelerated the adoption of electric mobility in Sri Lanka, with expanding EV infrastructure and sales contributing to a gradual nationwide shift toward low-emission transportation.

The Consumer Foods industry group continued to drive progress through the Gunadamin by Elephant House initiative, a comprehensive programme focused on sustainability, waste management, community engagement, and responsible sourcing. The Group has now established 10 material recovery facilities across the country, four of which are women-led. These facilities collectively recover and recycle over 750 metric tons of plastic waste annually, equivalent to approximately 26 million plastic bottles.

In the Property industry group, the VIMAN residential development exemplifies sustainable urban development, featuring eco-friendly construction, water saving technologies, and integrated renewable energy solutions.

Building on the ESG Strategy Framework introduced last year, developed through a comprehensive exercise with the support of an external consultant, the Group continued to make meaningful progress in this initiative. Key developments this year included the appointment of Ambition Heads, Group ESG Champions, and Group Steering Committees, all of which play a key role in driving the strategy forward. Under the established ESG pillars, the Group has set ambitious short, medium, and long term goals. The appointed teams are currently focused on translating these ambitions into actionable milestone plans, aligning ongoing Group and sector level initiatives, and identifying new interventions required to address any gaps.

With the increase in operational activities across all industry groups compared to the previous year, the Group recorded a rise in emissions and resource usage. Energy consumption increased by 9% to 1,060,480 GJ, while the Group's carbon footprint increased by 21% to 162,927 metric tons. Water withdrawal increased by 3% to 2,317,699 cubic meters, while waste generation increased by 8% to 10,479 metric tons. A significant portion of the increase in energy consumption and carbon footprint is attributable to the expanded reporting boundary, primarily due to the commencement of operations of the Cinnamon Life hotel from October 2024 onwards. In 2023/24, the hotel was excluded from the sustainability reporting boundary as it was still under construction. In the case of water withdrawal, the inclusion of the Mathugama beverage plant and Kotagala water bottling plant contributed to the increase.

The Group's energy consumption, excluding the enhanced boundary as described above, recorded a marginal increase of 2% to 989,918 GJ and a 11% increase in the Group's carbon footprint to 150,424 metric tons which is attributed to the increased operational activities of the Supermarket business, the Leisure and Consumer Foods industry groups. In this same context, water withdrawal decreased by 3% to 2,178,857 cubic meters, reflecting measures undertaken in Sri Lankan hotels. Waste generation increased by 6% to 10,254 metric tons, though this was largely due to enhancements in the data compilation process which has been streamlined.

The Group's carbon footprint per million rupees of revenue inclusive of the expanded operational boundary, increased by 7%. In contrast, water withdrawal per million rupees of revenue decreased by 8%.

Overall, the Group continues to advance its efforts to enhance resource efficiency, delivering positive outcomes. During the year, 344 occupational injuries were reported, and employees received an average of 28 hours of training per person, reflecting the Group's continued focus on employee development and workplace safety.

The Group remains firmly committed to its long term sustainability goals, which are supported by clearly defined short and medium term milestones. These include increasing renewable energy generation, reducing energy consumption, carbon emissions, and waste, as well as minimising the use of non-recyclable plastics, among other priorities.

Further details on progress made against these targets can be found in the Natural and Human Capital sections of this Report.

Plasticcycle

The Group's social entrepreneurship project, Plasticcycle, continues to champion plastic pollution solutions in Sri Lanka. The World Economic Forum recognised the Plasticcycle initiative as a global case study in January 2025, exemplifying our commitment to the reduction and responsible disposal of plastic waste through innovation, collaboration, and community engagement.

Our marine conservation partnership with the Pearl Protectors entered its second year, removing 1,908 kg of discarded fishing nets and other ghost gear from Sri Lanka's seabeds - making Thilip Reef in Trincomalee completely plastic-free.

The Plasticcycle bin network grew to 309 locations, with over 215,000 kg of plastic waste collected since CY2017, while the Jumbo Bag initiative collected 8 MT of plastic waste and empowered grassroot waste collectors.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) remains an integral part of the Group's ethos. In the reporting year, John Keells Foundation (JKF) – the Group's dedicated CSR entity – celebrated the milestone of 20 years since its incorporation. Since its launch in 2005, JKF has led the societal outreach initiatives of the Group's ESG framework, empowering communities to be more productive, self-reliant and resilient, towards building a healthy, cohesive and strong Sri Lanka.

Among Sri Lanka's first dedicated CSR entities, JKF has championed impactful and sustainable initiatives under the vision of 'Empowering the Nation for Tomorrow' supported by multi-sectoral partnerships and staff volunteerism, impacting over 9 million persons. Its medium to long term initiatives are aligned with national priorities, the Sustainable Development Goals (SDGs), and the Principles of the United Nations Global Compact, of which JKH is a participant.

While the Social and Relationship and Natural Capital Review sections of this Report detail our initiatives, below are a few key highlights from the reporting period:

Education, essential skills and career readiness

- JKF supported essential school infrastructure and upskilled schoolchildren, youth, and university undergraduates through English language scholarships, higher education scholarships, soft skills workshops, career guidance programmes, towards preparing for future employment, impacting 2,708 individuals.
- In enabling access to education to all, JKF is in the process of constructing a model pre-school in Nithulemada in collaboration with the Early Childhood Development Unit of the Central Province Education Ministry.

Combatting gender-based violence, child abuse and substance abuse

- Aimed at fostering a healthy and productive community, JKF continued its efforts to combat gender-based violence (GBV), child abuse and substance abuse through awareness, training and supportive ecosystems.
- Sustained Group-wide GBV awareness sessions reached 3,877 staff. JKF marked the International Day for the Elimination of Violence Against Women under the theme 'Stand Up, Speak Out, End the Cycle of Violence', delivering targeted training to 150 personnel. External outreach included electronic and social media campaigns, and a text messaging campaign in partnership with Dialog Axiata, reaching an estimated 979,843 individuals.
- JKF's campaign to commemorate National Children's Day targeting school children, teachers and parents, and the teacher training conducted in Habarana which included Child Protection, impacted 929 individuals.
- Awareness on substance abuse prevention, conducted in partnership with the National Dangerous Drugs Control Board and Humedica Lanka, included training of teachers, awareness sessions for students, and healthy parenting mechanisms for pre-school parents and teachers, benefiting 1,572 individuals.

Fostering sustainable livelihoods and self-reliance through John Keells Praja Shakthi

- Sustainable livelihood programmes with a focus on women's empowerment continued through beekeeping and experiential tourism initiatives in Habarana, sustained support for small and medium-sized enterprises (SME) engaged in Hikka Batiks in Hikkaduwa, mushroom cultivation in Ja-Ela, and paper-based products in Ranala. These initiatives directly benefited a total of 902 individuals while supporting children and other dependents of the beneficiary women.
- JKF collaborated with the George Keyt Foundation in presenting the 32nd Kala Pola (open air art fair), attracting a record number of 394 artists and thousands of visitors, both local and foreign, generating an estimated revenue for artists in excess of Rs.54 million.

"John Keells Foundation (JKF) – the Group's dedicated CSR entity – celebrated the milestone of 20 years since its incorporation. Since its launch in 2005, JKF has led the societal outreach initiatives of the Group's ESG framework, empowering communities to be more productive, self-reliant and resilient, towards building a healthy, cohesive and strong Sri Lanka."

Enhancing biodiversity

- The Cinnamon Rainforest Restoration Project - a flagship public-private collaboration between the Forest Department, Ruk Rakaganno, Cinnamon Hotels & Resorts and JKF - commenced its second cycle of three-year's completing the planting of 3,259 trees during the reporting year, supported by strong volunteer participation.
- The Rummassala Nature Field Centre, established in partnership with the Central Environmental Authority (CEA), continues to serve as a hub for conservation education for students and the public. To strengthen its sustainability and reach, JKF produced and handed over an awareness cum publicity video to the CEA while planning the support of essential renovations at the Centre.

Supporting creative industries towards fostering social cohesion

JKF continued to support several strategic programmes for boosting Sri Lanka's creative economy, through the development of art and literary professionals and supporting sustained livelihoods while using arts as a platform for social cohesion and enhancing community dispute resolution.

The following are the roles played by JKF in a few of the key initiatives during the year:

- A major benefactor of the Museum of Modern and Contemporary Art Sri Lanka which engaged more than 22,087 visitors by providing an essential cultural and tourism offering in Colombo through curated exhibitions and catalysing international recognition for Sri Lankan artists.
- Primary sponsor of the Gratiaen Trust, supporting the Gratiaen Prize and the H A I Goonetilleke Prize for Literary Translation as well as other activities dedicated to uplifting Sri Lanka's literary creative industry.
- Sponsored the Chitrasena Vajira Dance Foundation's archival project on preserving Sri Lanka's rich dance legacy of the late Guru Vajira through comprehensive cataloguing, digitisation, and the launch of a web-based digital archive.
- Sponsored the art segment of the HSBC Ceylon Literary and Art Festival Edition 2, contributing to Sri Lanka's growing presence in the regional art scene engaging over 921 visitors.
- Sponsor of Sunera Foundation workshops in Dehiwala and Panadura, enabling artistic expression, skill-building, and social integration for 97 differently abled participants.

Group volunteerism

During the year in review, JKF recorded a total of 4,891 hours of CSR volunteerism by 852 staff volunteers across the John Keells Group. This number excludes community-based volunteer activities undertaken at the business or sector level.

DIVIDENDS

The Company paid a first and second interim dividend of Rs.0.05 per share in December 2024 and March 2025, respectively. The per share dividend is similar to the dividend of Rs.0.50 per share prior to the sub-division of shares carried out in November 2024 of 10 shares for every 1 share held.

Your Board maintained the final dividend for 2024/25 at Rs.0.05 per share (5 cents). Accordingly, the dividend declared for 2024/25 is Rs.0.15 per share (15 cents). The final dividend for 2024/25 will be paid on or before 25 June 2025.

The Group will follow its dividend policy which corresponds with growth in profits, whilst ensuring that the Company maintains adequate funds to ensure business continuity and to fund its pipeline of strategic investments.

RETIREMENT AND APPOINTMENT OF DIRECTORS

Having completed over nine consecutive years on the Board, Mr. N. Fonseka (Senior Independent Director) retired from the Board of Directors with effect from 1 July 2024, and Dr. H. Wijayasuriya was appointed as the new Senior Independent Director, with effect from 1 July 2024.

I would like to place on record our deep appreciation for the invaluable contribution made by Mr. Fonseka during his tenure on the Board and as the Senior Independent Director.

Mr. M. Jayesinghe and Ms. R. Shukla were appointed to the Board as Independent, Non-Executive Directors with effect from 1 July 2024.

CONCLUSION

On behalf of the Board of Directors, I extend my sincere gratitude to all our stakeholders for their unwavering support throughout the year. Your trust and collaboration have been instrumental in our continued success.

I express my deepest appreciation to the staff of John Keells Group for their dedication, understanding, and teamwork, which have collectively strengthened our foundation.

I extend my heartfelt thanks to my esteemed colleagues on the Board and the Group Executive Committee for their valuable guidance and support.

Krishan Balendra

Krishan Balendra
Chairperson

27 May 2025

GROUP HIGHLIGHTS

The ensuing section details the key highlights of the year under review, followed by an overview of the key verticals, its industry potential, outlook and the initiatives that are undertaken to drive growth.

The JKH Investor Presentations are available on the Corporate Website to provide easier access and in-depth details of the operational performance of the Group.

https://www.keells.com/investor-relations

FINANCIAL AND MANUFACTURED CAPITAL

Recurring EBITDA Analysis - Fourth Quarter

Rs.million	Q4 2024/25	Q4 2023/24	Variance	%
Transportation	2,139	2,328	(189)	(8)
Consumer Foods	2,293	2,140	154	7
Retail	3,415	2,402	1,013	42
Leisure	4,382	5,150	(768)	(15)
City of Dreams Sri Lanka (CODSL)	*(1,219)*	*(364)*	*(855)*	*(235)*
Leisure excl. CODSL	*5,601*	*5,514*	*87*	*2*
Property	559	(634)	1,194	188
Financial Services	2,144	1,861	284	15
Other, incl. IT and PS	981	725	256	35
Group	15,914	13,971	1,943	14
Group excl. CODSL	17,133	14,335	2,798	20

Refer Financial and Manufactured Capital Review for recurring adjustments - Page 55.

- The Group reported a strong performance for Q4, driven by the strength of our consumer-focused businesses which gained momentum quarter after quarter. Overall Group EBITDA was mainly impacted by the substantial pre-opening, ramp-up, and operating expenses at the CODSL.
- WCT-1, the Port of Colombo's first automated deep-water terminal, and a milestone project for the Group, commenced its first phase of commercial operations in Q4 2024/25. The throughput to date has been encouraging and this momentum is expected to accelerate over the coming quarters.
- Group PBT, excluding CODSL, is Rs.10.85 billion, a 71% increase against Q4 2023/24. CODSL includes the depreciation charge and interest expense in the income statement pertaining to the Cinnamon Life hotel, amounting to Rs.1.14 billion and Rs.1.09 billion.
- The Transportation industry group recorded a decline in EBITDA mainly due to the Bunkering business, Lanka Marine Services (LMS). LMS recorded an improvement in margins, although the decline in volumes by 17% impacted earnings growth. It is noted that Q4 of 2023/24 was an exceptionally strong quarter on account of a significant growth in volumes over 50% due to the Red Sea crisis. The Group's Ports and Shipping business, South Asia Gateway Terminal (SAGT) recorded volume growth and an improvement in volume mix although profitability was flat due to the appreciation of the Rupee.
- The Consumer Foods industry group recorded a strong growth in profitability driven by double-digit volume growth across all businesses, driven by seasonal sales and a continued recovery in consumer activity. Margins of the Beverages and Confectionery businesses marginally declined due to the increase in excise duties on carbonated soft drinks, effective from 1 January 2025 for the Beverages business, a relatively lower growth in Impulse volumes which comprise of higher margin products and an increase in advertising and promotion expenses in the Confectionery business.
- The significant increase in profitability in the Supermarket business is attributable to the strong same store sales growth of 16.2% on the back of an increase in footfall of 19.1%, which more than offset the negative average basket value (ABV) growth of 2.4%.
- The profitability of the Leisure industry group was impacted by substantial costs pertaining to the opening and operating of the Cinnamon Life hotel. Excluding the City of Dreams of Sri Lanka, Leisure EBITDA was flat at Rs.5.60 billion.
- Excluding the impact of CODSL, the profitability of the Leisure industry group was driven by a strong recovery in arrivals which resulted in higher occupancy and an improvement in average room rates (ARRs) across the Group's hotel portfolio. Margins of the businesses were mainly supported by the improvement in rates and occupancies, and lower operating costs, despite the translation impact due to the appreciation of the Rupee.
- The Property industry group recorded an increase in profitability driven by sales at Cinnamon Life and the VIMAN development project, and profit recognition from real estate sales in Digana, through Rajawella Holdings (Private) Limited. It should be noted that EBITDA in Q4 2023/24 included an asset write-off amounting to Rs.639 million relating to the closure and demolishing of the K-Zone mall in Ja-Ela for the development of the VIMAN residential project.
- Nations Trust Bank PLC recorded a growth in profitability driven by robust loan growth. Union Assurance PLC recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums and regular new business premiums.
- The Other, including Information Technology and Plantation Services sector recorded an increase in EBITDA mainly due to exchange gains recorded at the Holding company compared to exchange losses in Q4 2023/24 due to the appreciation of the Rupee. Despite the increase in borrowings at the Holding Company, PBT recorded an improvement on account of a decrease in finance expenses at the Holding Company as a result of the lower interest cost on the convertible debentures issued to HWIC Asia Fund compared to Q4 2023/24, as the debentures were fully converted in January 2025.

Recurring EBITDA
Rs.**45,689** million
2023/24: Rs.43,796 million
4%

Recurring EBITDA excl. CODSL
Rs.**50,432** million
2023/24: Rs.44,859 million
12%

Recurring PBT
Rs.**14,720** million
2023/24: Rs.16,593 million
(11%)

Recurring PBT excl. CODSL
Rs.**22,926** million
2023/24: Rs.14,362 million
60%

Annual Recurring EBITDA and PBT

Rs.million	2024/25	2023/24	2022/23
Recurring EBITDA			
Transportation	7,318	7,570	11,963
Consumer Foods	6,684	4,993	3,184
Retail	10,944	8,762	8,779
Leisure	4,527	9,059	8,604
CODSL	*(4,743)*	*(1,063)*	*(523)*
Leisure excl. CODSL	*9,271*	*10,122*	*9,127*
Property	1,441	(822)	(265)
Financial Services	10,909	9,296	6,451
Other, incl. IT & PS	3,866	4,938	7,024
Group	45,689	43,796	45,740
Group excl. CODSL	50,432	44,859	46,263
Recurring PBT			
Transportation	6,364	6,401	10,903
Consumer Foods	4,932	2,957	1,052
Retail	5,197	2,933	504
Leisure	(7,129)	3,313	(386)
CODSL	*(8,207)*	*2,231*	*(507)*
Leisure excl. CODSL	*1,078*	*1,081*	*122*
Property	1,184	(857)	(2,186)
Financial Services	10,878	9,293	6,400
Other, incl. IT & PS	(6,706)	(7,446)	7,483
Group	14,720	16,593	23,771
Group excl. CODSL	22,926	14,362	24,279

Group Debt Currency Mix

Currently, ~Rs.115.51 billion of overall Group debt (excluding leases) is denominated in foreign currency, which translates to ~55% of total debt [2023/24: ~64%].

The foreign currency debt of the Group mainly comprises:

- USD 207 million term loan obtained for the City of Dreams Sri Lanka integrated resort.
- USD 167 million term loan from the International Finance Corporation (IFC).

Conversion of Balance Convertible Debentures Issued to HWIC

As announced to the Colombo Stock Exchange on 24 January 2025, HWIC Asia Fund (HWIC) exercised its option to convert the remaining balance of 98,125,000 debentures, with a face value of Rs.12.76 billion. As previously announced on 29 February 2024, HWIC had already converted 110,000,000 debentures.

JKH issued and listed 1,079,375,000 new ordinary voting shares of the Company, as adjusted for the Rights Issue and Sub-division of shares, as approved by the Shareholders at the outset on 4 August 2022. The dilution from this conversion is 6.13%, based on the number of ordinary voting shares outstanding as of 22 January 2025. There are no outstanding convertible debentures as all debentures originally issued have now been fully converted.

Group Debt (incl. lease liabilities)

Rs.**240,443** million

2023/24: Rs.246,065 million (2%)

Group Debt (excl. lease liabilities)

Rs.**210,411** million

2023/24: Rs.214,101 million (2%)

Net Debt/(Cash)*

Rs.**116,242** million

2023/24: Rs.117,071 million (1%)

Group Assets

Rs.**845,918** million

2023/24: Rs.771,192 million 10%

Excluding lease liabilities and convertible debenture liabilities.

Insights - Capital Expenditure

The Group has carried out significant investments maintaining the momentum of the Group's long term investment strategy, which is now coming to fruition.

Group Capital Expenditure excl. CODSL

Rs.**16,307** million

2023/24: Rs.7,460 million 119%

The total Group capital expenditure amounted to Rs.49.89 billion during 2024/25, of which Rs.33.61 billion was for CODSL, funded by both operational cash flows and infusions by the Holding Company. During 2023/24, the total Group capital expenditure stood at Rs.28.97 billion, with Rs.21.51 billion relating to CODSL.

In addition to the routine maintenance capital expenditure, the Group will focus on the following key investments in the near term:

- Retail mall and final aspects of the 113-key Nuwa hotel at CODSL, which are near complete.
- Final equity tranche in WCT-1 at the Port of Colombo.
- Rollout of Supermarket outlets.
- Strategic investments to expand impulse production of the Confectionery business to enable the development of new product innovations, to cater to the growing demand for impulse offerings.
- Possible extensions into adjacent confectionery categories that align with evolving consumer preferences which aims to broaden market reach while capitalising on existing manufacturing and distribution capabilities.

Rights Issue followed by a Sub-division of Ordinary Shares

The Company carried out a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares. The Company raised Rs.24.04 billion through the Rights Issue of 150,263,595 new ordinary shares at an issue price of Rs.160 per share. The Rights Issue was oversubscribed, and the new Ordinary Shares allotted from the Rights Issue were listed on 22 October 2024.

Subsequent to the completion of the Rights Issue, the Company carried out a Sub-division of its ordinary shares in the proportion of one (1) existing ordinary share being subdivided into ten (10) ordinary shares. Accordingly, 1,652,899,552 shares in issue as of 28 October 2024, were subdivided into 16,528,995,520 ordinary shares.

INVESTOR RELATIONS

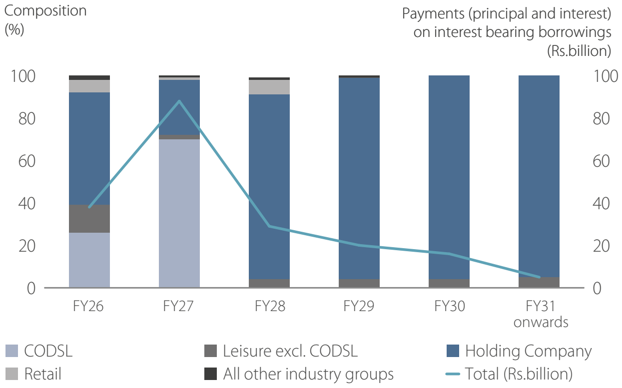
GROUP HIGHLIGHTS

Group Revenue* 2024/25	Rs.million Q1	Q2	Q3	Q4	YoY % Q1	Q2	Q3	Q4	Total (Rs.million) FY25	FY24	YoY %
Transportation	12,579	15,707	12,060	14,207	11	77	(4)	(23)	54,554	51,165	7
Consumer Foods	9,244	9,359	8,799	11,267	16	16	27	14	38,669	32,897	18
Retail	32,986	33,416	36,013	35,922	10	11	11	20	138,337	122,502	13
Leisure	8,400	10,526	12,890	18,035	(3)	(2)	1	15	49,851	47,885	4
Property	401	1,219	3,732	3,194	13	268	732	586	8,546	1,602	434
Financial Services	4,613	5,140	6,153	5,386	13	13	13	17	21,291	18,665	14
Other, incl. IT and PS	1,434	1,589	1,608	1,499	6	6	9	(13)	6,129	6,057	1
Group	69,657	76,957	81,254	89,509	9	20	12	11	317,378	280,773	13

Excluding associates.

Group Recurring EBITDA 2024/25	Rs.million Q1	Q2	Q3	Q4	YoY % Q1	Q2	Q3	Q4	Total (Rs.million) FY25	FY24	YoY %
Transportation	1,555	1,982	1,642	2,139	(4)	17	(15)	(8)	7,318	7,570	(3)
Consumer Foods	1,493	1,611	1,287	2,293	107	30	43	7	6,684	4,993	34
Retail	2,246	2,390	2,894	3,415	13	21	21	42	10,944	8,762	25
Leisure	(794)	(136)	1,076	4,382	(380)	(113)	(58)	(15)	4,527	9,059	(50)
Property	(67)	111	838	559	(136)	126	1,296	188	1,441	(822)	275)
Financial Services	1,920	1,809	5,035	2,144	13	6	25	15	10,909	9,296	17
Other, incl. IT and PS	1,344	327	1,214	981	(31)	(60)	(17)	35	3,866	4,938	(22)
Group	7,696	8,095	13,985	15,914	(9)	0	5	14	45,689	43,796	4
Group excl. CODSL	8,472	9,276	15,552	17,133	(2)	12	14	20	50,432	44,859	12

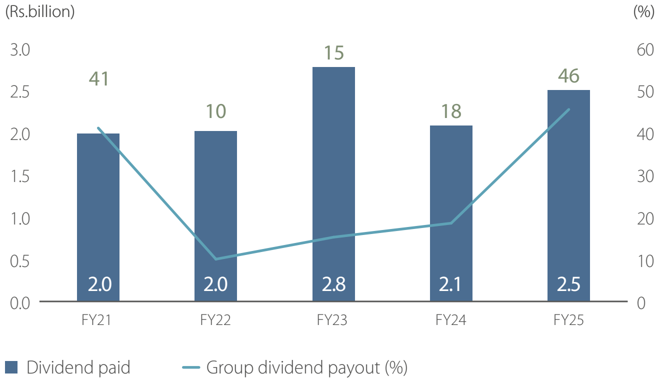
Maturity Analysis of Interest Bearing Borrowings



The following should be noted with regard to the illustration above:

- The USD 207 million term loan at WPL, captured under Leisure, falls due for repayment in December 2026. Based on the structuring of the loan, ~ 75% of the loan is due for repayment in the final tranche, where the strategy would be to refinance a component at that juncture depending on the levels of operational cash flows.
- The USD 167 million outstanding on the term loan from the IFC, for which repayments commenced in December 2024, is structured with equally amortising capital repayments till June 2030.

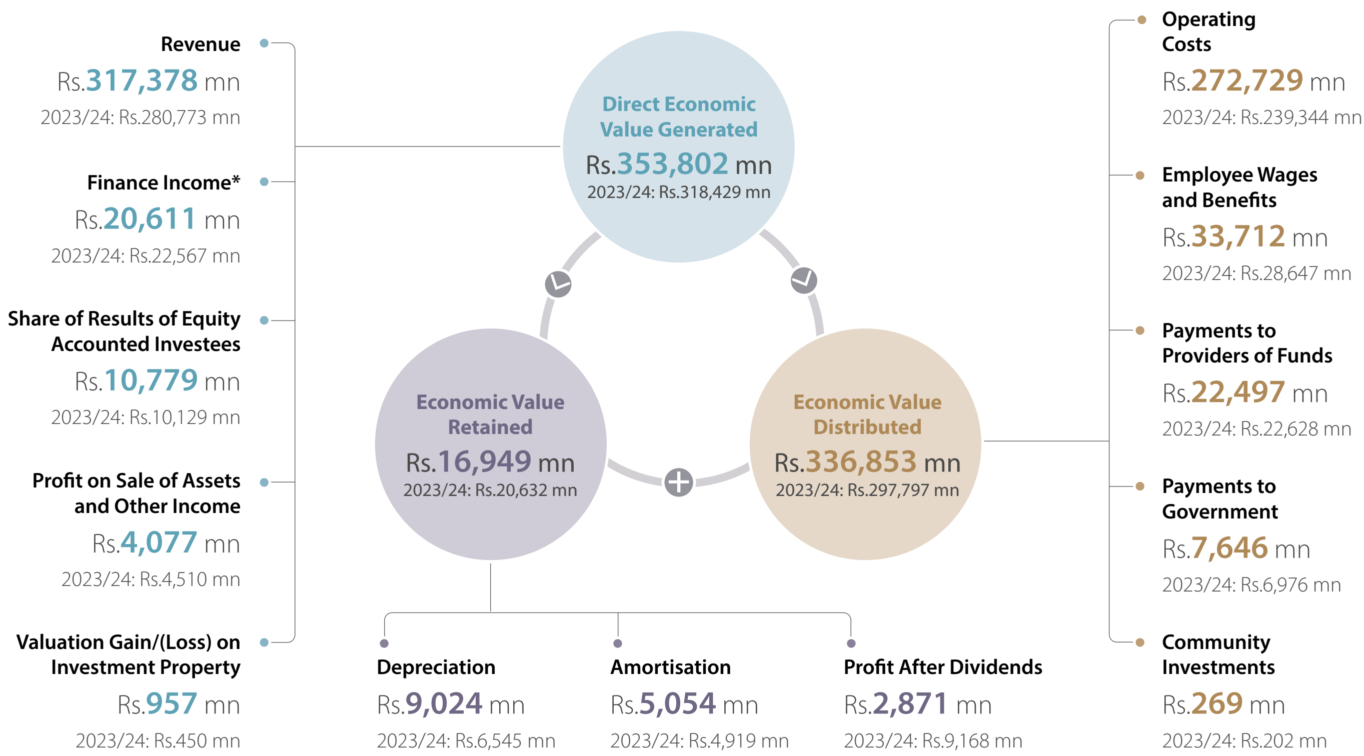
Distributions to Shareholders and Payout Ratio



Market Information of the Ordinary Shares of the Company

	2024/25	2023/24
Average daily turnover (Rs.million)	261	196
Percentage of total market turnover (%)	8.8	12.4
Market capitalisation (Rs.million)	356,018	290,771
Percentage of total market capitalisation (%)	6.1	6.4

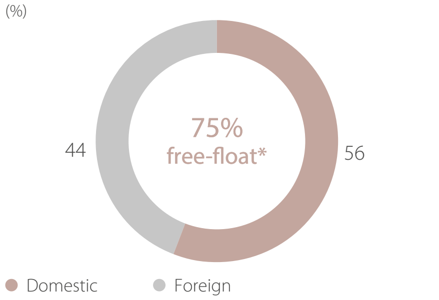
ECONOMIC VALUE ADDED STATEMENT



Includes interest income from life insurance policyholder funds at Union Assurance PLC.

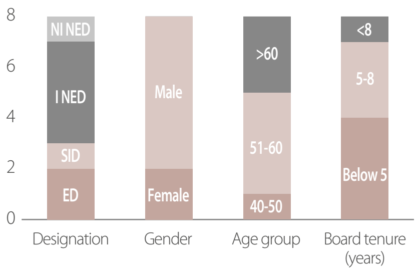
GOVERNANCE

Shareholding Structure
(%)



**Reduction due to HWIC Asia Fund being classified as a related party under the Sri Lanka Accounting Standards.*

Current Composition of the JKH Board



ED – Executive Director
SID – Senior Independent Director
I NED – Independent Non-Executive Director
NI NED – Non-Independent Non-Executive Director

Key Governance Highlights

- Policies were re-assessed to align with updated Listing Rules, and a Board Charter was introduced for enhanced oversight.
- Effective October 2024, each listed subsidiary will have separate Board Committees, ensuring governance at the entity level while maintaining group-wide alignment.
- An initiative is underway to optimise processes and enhance decision-making through technology, including a migration to S/4 HANA for improved efficiency.
- A Forensic Data Analytics platform was deployed for financial governance to detect transaction anomalies automatically.
- Measures were taken to comply with the Personal Data Protection Act, with designated Data Protection Officers and a Steering Committee in place.
- The Group's ESG ambitions were formally approved, backed by a structured governance framework for effective implementation.

Refer the Corporate Governance Commentary for further details – Page 223.

Board Appointments and Retirements in 2024/25

- Having completed over nine consecutive years on the Board, Mr. N. Fonseka (Senior Independent Director) retired from the Board of Directors with effect from 1 July 2024.
- Dr. H. Wijayasuriya was appointed as the Senior Independent Director with effect from 1 July 2024.
- Mr. M. Jayesinghe was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2024.
- Ms. R. Shukla was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2024.

GROUP HIGHLIGHTS

GOVERNANCE

Awards

Silver award for 'Best Investor Relations' at the Capital Market Awards 2024 organised by the CFA Society Sri Lanka.

INTERNAL GOVERNANCE STRUCTURE

Board of Directors and Senior Management Committees

Chairperson-CEO

Group Executive Committee (GEC)

Group Operating Committee (GOC)

Group Management Committee (GMC)

Sector Committee

Management Committee

Employee Empowerment

Refer the Corporate Governance Commentary for further details – Page 230

Transparency in Corporate Reporting (TRAC) Assessment

JKH was ranked first in the Transparency in Corporate Reporting (TRAC) Assessment by Transparency International Sri Lanka (TISL) for the past four consecutive years, with a 100% score for transparency in disclosure practices. For the period under review, an assessment was not conducted by TISL, and the most recent ranking remains in effect until a new assessment is carried out.

INTELLECTUAL CAPITAL

OCTAVE

- Following the success of the use cases that were deployed, particularly in the Supermarkets, Confectionery and Beverages businesses, a roadmap for advanced analytics use cases were developed for the Transportation industry group.
- OCTAVE initiated commercial engagements to provide advanced analytics services to external customers, which includes clients in the United Kingdom.

John Keells Research (JKR)

- John Keells Research (JKR) licensed a sustainable technology to regenerate industrial chemicals used in the quality assurance process of rubber products, enabling waste reduction and effective resource repurposing.
- JKR entered into two separate technology licensing agreements for its proprietary Silmetic® for manufacturing and sale as an antibacterial additive, and for integration into disposable foot insoles.

Key Accolades Received by JKH

- Ranked first as the 'Most Respected Entity' in Sri Lanka for the 19th year at the 20th annual edition of LMD's Most Respected Entities rankings.
- Ranked first in LMD Readers' Choice as Sri Lanka's 'Most Loved Corporate Brand' for 2024.

NATURAL CAPITAL

Total water consumed across all business units

1,168,836 m^3

Percentage of treated water out of total water consumption

28%

Percentage of recycled water out of treated water

48%

Total carbon footprint across all business units

162,927 MT

Total units of energy consumed across all business units

1,060,480 GJ

Total units of renewable energy consumed across all business units

122,191 GJ

Total waste generated across all business units

10,479 MT

Percentage of treated non-hazardous waste recycled

57%

Total plastic waste collected

260 MT

	2024/25	2023/24*	2022/23*
Energy consumption: non-renewable sources (GJ)	378,365	360,851	390,434
Energy consumption: non-renewable sources (GJ) per Rs.million of revenue	1.14	1.23	1.41
Energy consumption: renewable sources (GJ)	122,191	124,455	122,568
Energy consumption: renewable sources (GJ) per Rs.million of revenue	0.37	0.42	0.44
Purchased energy: national grid (GJ)	559,924	484,952	399,355
Purchased energy: national grid (GJ) per Rs.million of revenue	1.69	1.65	1.44
Total energy consumption	1,060,480	970,257	912,358
Direct greenhouse gas emissions – Scope 1 (MT)	62,110	47,804	41,887
Indirect greenhouse gas emissions – Scope 2 (MT)	100,817	87,318	71,906
Total carbon footprint (MT)	162,927	135,122	113,793
Total carbon footprint (MT) per Rs.million of revenue	0.49	0.46	0.41
Greenhouse gas emissions from combustion of biomass (MT)	6,150	7,153	8,050
Water withdrawal (m^3)	2,317,699	2,243,872	2,032,035
Water withdrawal (m^3) per Rs.million of revenue	7.00	7.62	7.35
Water discharge (m^3)	1,146,624	1,131,712	1,297,369
Volume of hazardous waste generated (MT)	517	367	314
Volume of non-hazardous waste generated (MT)	9,963	9,314	7,993
Non-hazardous waste recycled/reused by Group companies and through third party contractors (%)	57	57	46
Significant environmental fines **	-	-	-

**2022/23 and 2023/24 restated. To align with best practice and enhance the quality of the Group's disclosures, some figures reported in 2023/24 have been restated based on audit insights, providing a more comprehensive reflection of the Group's performance.*

***Significant fines are defined as fines over Rs.1 million.*

GROUP HIGHLIGHTS

HUMAN CAPITAL

Total staff members of the group
18,342

Average employee attrition rate
27%

Gender ratio (Male: Female)
66:34

Total number of injuries
344

Total training hours
591,497 h

Total investment on training and development
Rs.357 million

	2024/25	2023/24	2022/23
Total of employees and non-employee workers*	28,042	20,614	22,250
Employees	18,342	15,314	15,415
Non-employee workers	9,700	5,300	6,835
New hires (%)	80	68	64
Employees receiving performance reviews (%)	100	100	100
Average hours of training per employee	32	15**	26
Employee benefit liability as of 31 March (Rs.million)	3,463	3,590	2,559
Total attrition (%)	27	28	31
Incidences of child labour (below age 16)	-	-	-
Incidences of forced labour during the year	-	-	-

Of the Group's total employees, 654 are placed in the Maldives, with the remainder domiciled in Sri Lanka.
*** Restated*

SOCIAL AND RELATIONSHIP CAPITAL

Total CSR spend
Rs.230 million

Spend on local suppliers
85%

People benefited from Community & Livelihoods-related projects
813,917

Businesses analysed for risk of corruption*
45

Total people impacted
1,837,676

People benefited from Social Health & Cohesion-related projects
1,015,658

Number of suppliers engaged
116

People benefited from Education-related projects
5,977

People benefited from Biodiversity-related projects
1,120

Operational business entities where the Group exercises significant management control.

	2024/25	2023/24	2022/23
Community services and infrastructure projects (Rs.million)	230	187	397
Proportion of spend on purchase from suppliers within Sri Lanka %	85	86	81
Community engagement (no. of persons impacted)	1,837,676	1,952,511	1,553,971
Sustainability integration awareness (no. of business partners)	130	200	201
Business partners screened for labour, environment and human rights (no. of business partners)	116	83	63
Proportion of labels carrying ingredients used (%)	82	77	76
Proportion of labels carrying information on disposal (%)	96	96	95
Proportion of labels carrying sourcing of components (%)	6	3	3
Monetary value of significant fines* (Rs.)	-	-	-
Proportion of businesses analysed for risk of corruption (%)	100	100	100

** Significant fines are defined as fines over Rs.1 million.*

INDUSTRY GROUP HIGHLIGHTS

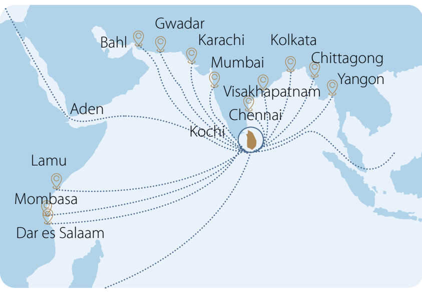
TRANSPORTATION

Industry Potential

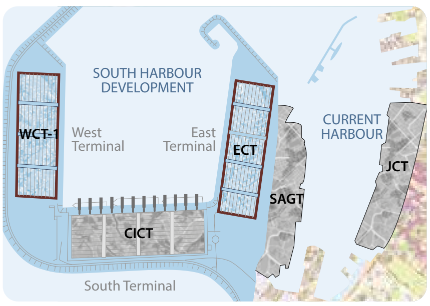
- Ongoing capacity enhancements at the Port of Colombo (POC) and shipping lines opting for 'hub and spoke' services will spearhead the thrust to reinforce Colombo as a leading transshipment hub in the region.
- Envisaged increase in bunkering market share driven by higher vessel movement.
- Growing demand for logistics services through growth in inbound project cargo and other major industries.

Our Business

- 42% stake in SAGT – container terminal (capacity of ~2 million TEUs).
- 34% stake in WCT-1 – container terminal (capacity of ~3.2 million TEUs).
- Leading bunkering services provider both in the West Coast and the Sri Lankan market.
- One of the largest cargo and logistics service providers in the country.
- Joint ventures with Deutsche post for DHL air express, AP Moller for Maersk Lanka and Inchcape Shipping Services for IMMS.
- GSA for KLM Royal Dutch Airlines, Gulf Air and Thai AirAsia.
- Warehousing and supply chain management.
- Domestic scheduled and charter air flight operations.



The POC is strategically positioned on the main East-West shipping routes.



Capacity enhancements in the POC - WCT-1 and ECT.

West Container Terminal (WCT-1)

- First phase of operations commenced in Q4 2024/25, with a capacity of ~1.6 million TEUs.
- WCT-1 is POC's first automated deep-water terminal. The full completion of the terminal is scheduled for 2H 2026/27.
- WCT-1 is expected to be cash-positive within its first year of operations, driven by growing container volumes and demand.

Key Performance Indicators

		2024/25	2023/24	%	2022/23
SAGT volumes	(TEU '000)	2,068	1,818	14	1,704
Domestic : Transshipment mix		12:88	10:90		13:87
Port of Colombo volumes	(TEU '000)	7,719	7,339	5	6,632
LMS volume growth	(%)	15	2*		8*
Warehouse space under management	(sq. ft. '000)	240	370	(35)	317**

**Excluding local sales, YoY volume increase for 2023/24 and 2022/23 is 10% and (1)% respectively.*
***Discontinuation of the Kotikawatta and Ekala warehouses in 2022/23.*

Quarterly Performance

2024/25		Q1	Q2	Q3	Q4	Full Year
SAGT volumes	(TEU '000)	516	512	535	505	2,068
POC volumes	(TEU '000)	1,882	1,899	2,003	1,936	7,719
LMS volume growth	(%)	13*	78	20	(17)	15

**Excluding local sales, YoY volume increase for Q1 2024/25 is 22%.*

Strategy and Outlook

Immediate to Short Term

Ports, Shipping and Bunkering

- Regional trade volumes are expected to remain strong, supported by India's economic growth.
- The expansion in the overall port capacity at the POC is expected to lead to an increase in the number of vessel calls, positively impacting bunker fuel demand.

Logistics and Transportation

- The Logistics business will continue to prioritise new customer acquisition and drive improved utilisation across all its facilities.
- Increase in export volumes are anticipated to result in higher volumes.
- The increase in airline frequencies is expected to boost passenger numbers.

Medium to Long Term

Ports, Shipping and Bunkering

- WCT-1 is expected to strengthen the POC's long term competitiveness by enhancing operational efficiency and handling capacity to accommodate larger vessels.
- Anticipated growth in regional and global economies is expected to facilitate growth in the overall volumes in the POC.
- Sustained growth of the Indian economy will, in addition to the current volumes, be a long term driver of volumes to the POC.
- Continue to explore opportunities arising from the POC, Hambantota and Trincomalee, particularly in relation to bunkering and storage.

Logistics and Transportation

- Explore opportunities arising from the anticipated growth in regional and domestic trading.
- Increase in tourist arrivals and investments in the tourism industry is expected to benefit the Airline segment.

INVESTOR RELATIONS

INDUSTRY GROUP HIGHLIGHTS

CONSUMER FOODS

Industry Potential

- Per capita consumption of carbonated soft drinks at 12 litres, is below peer markets.
- Per capita consumption of ice creams at ~4 litres, is far below developed markets.
- Bulk:Impulse ice cream mix in regional markets is highly skewed towards the Impulse segment, demonstrating significant potential within the Impulse category.
- Emerging 'health conscious' consumers and growing need for convenient and affordable main meal options.
- New niche segments for unique flavours.

Our Business

- Strong market presence in beverages, confectionery and processed meats through Elephant House and Keells-Krest brands.
- Confectionery products including the premium ice cream range Imorich and the Feelgood guilt-free frozen yoghurt range for customers seeking wellness and balanced lifestyles.
- A portfolio of carbonated soft drink (CSD) and non-CSD Beverages catering to a wide array of customers and island-wide distribution network.

Insight into Quarterly Performance

Volume Growth 2024/25 (%)	Q1	Q2	Q3	Q4	Full Year
Beverages (CSD)	8	13	28	16	16
Confectionery	27	17	34	12	22
Convenience Foods	31	21	24	24	25

- The strong growth in volumes was due to an increase in consumer activity, improved seasonal sales and favourable weather conditions.
- Volumes in the Confectionery business were driven by higher sales in the Bulk segment followed by the Impulse segment which comprises of higher margin products.
- Both the Beverages and Confectionery businesses recorded a sustained improvement in margins on account of lower raw material prices, electricity costs and the increased operating leverage due to higher volumes enabling absorption of fixed costs.
- The increase in demand for Convenience Foods is due to a rise in consumer activity on the back of a stable economy, which also resulted in consumers shifting their spend towards more discretionary items.

100,000+
Outlet reach

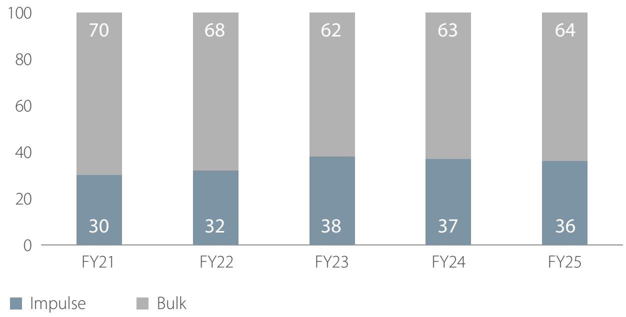
15
CSD flavours

43:57
Revenue mix: Beverages (CSD):FC [FY24: 42:58]

76
Ice Cream flavours

2
Frozen yoghurt flavours

Bulk:Impulse Volume Mix of the Confectionery Business
(%)

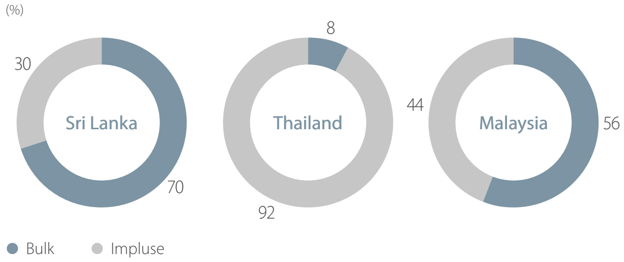


Key Performance Indicators

%	2024/25	2023/24	2022/23
Volume Growth			
Beverages (CSD)	16	10	(7)
Confectionery*	22	4	(7)
Convenience Foods	25	(9)	(22)
EBITDA Margins			
Beverages and Confectionery	18.7	17.1	10.8
Convenience Foods	8.8	2.7	9.0
PBT Margins			
Beverages and Confectionery	14.3	11.4	4.2
Convenience Foods	3.0	(6.3)	1.1

**Including freezer pop.*

Bulk:Impulse Mix of Regional Markets
(%)



Strategy and Outlook

Immediate to Short Term

- Volumes expected to maintain its growth momentum, supported by the low market penetration and higher consumer activity.
- An upward increase in electricity may impact margins, though tariffs remain lower than in the previous year due to multiple downward tariff revisions.
- The Confectionery business will explore opportunities to expand its portfolio beyond ice cream, capitalising on its existing manufacturing and distribution network.

Medium to Long Term

- Significant growth potential exists in the consumer food products industry in Sri Lanka given the relatively low penetration compared to global and regional peers.
- Given the higher penetration within urban areas, the Group expects growth from the outskirts of the country to be a driver of medium to long term growth, despite the lower base.
- Digitisation strategy will continue focusing on advanced analytics for data-driven decision-making to deliver sustained productivity gains, cost savings, and support the identification of new growth opportunities.
- Evolving consumer tastes and preferences, which create niche, yet substantial, market segments that would aid the businesses to innovate and explore more personalised offerings.

RETAIL

Industry Potential

Supermarket Business

- Modern trade penetration at 17%, is one of the lowest in the region.
- Growing popularity of modern trade as a result of:
  - Convenient and modern shopping experience.
  - Access to diverse categories and brands at affordable prices.
  - Rising per capita income, rapid urbanisation and changing consumption patterns.
- Demand for omnichannel retailing.

Office Automation Business

- Increased smartphone penetration in the country.
- Increased digital adoption within the country driven by smart mobile devices.

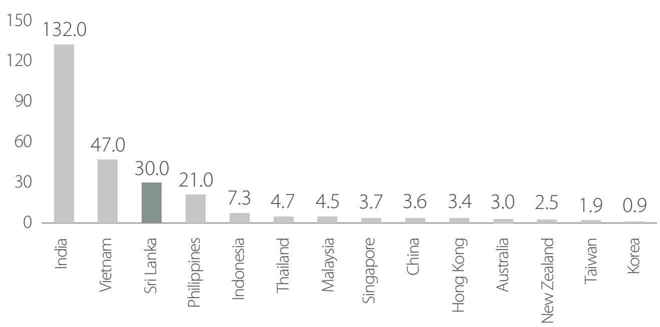
New Energy Vehicles

- Shift in consumer behaviour towards more energy efficient vehicles.
- Global EV sales and global market share of total new vehicle sales.

	Global EV sales	Global market share
CY2024	~17 million units	~20%
CY2025 (projected)	~20 million units	~25%
CY2030 (projected)	~45 million units	~40%

Modern Trade Density

Population ('000) per store



Our Business

Supermarket Business

- 138 outlets uniquely branded to cater to evolving consumer lifestyles.
- The state-of-the-art distribution centre (DC) centralising offerings across the dry, fresh, and chilled categories with a capacity for ~250 outlets.
- Own label consisting of over 350 SKUs.
- Nexus, a loyalty programme with ~2.6 million active members.

Office Automation Business

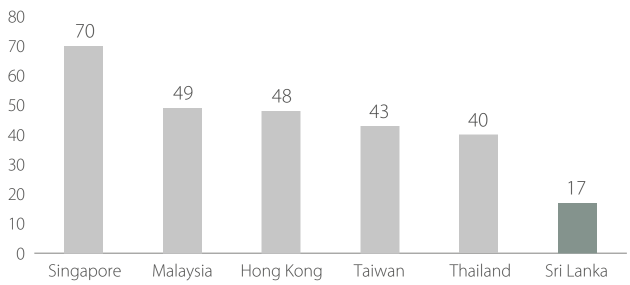
- John Keells Office Automation (JKOA) is the authorised distributor for Office Automation and world-renowned IT enabled brands and a market leader in providing print solutions for corporates. Brands offered include Samsung, Toshiba and Asus.

New Energy Vehicles

- JKCG, a 50% owned joint venture of JKH, partnered with BYD Company Limited, the world's leading manufacturer of new energy vehicles (NEVs).

Modern Retail Penetration

(%)



INDUSTRY GROUP HIGHLIGHTS

Key Performance Indicators

Supermarkets (%)	2024/25	2023/24	2022/23*
Same store sales growth	14.2	12.3	47.6
Same store footfall growth	14.5	12.3	28.3
Average basket value (ABV) growth	(0.3)	(0.1)	15.1
EBITDA margin	7.9	6.9	7.5
PBT margin	3.4	1.5	1.1

**Given the pandemic-related disruptions, unprecedented inflation and changes in shopping patterns resulting in shifts in frequency, basket values, and purchase patterns of customers, the KPIs were distorted in 2022/23.*

2024/25 (%)	Q1	Q2	Q3	Q4
Same store sales growth	12.0	13.8	14.2	16.2
Same store footfall growth	11.9	12.3	14.2	19.1
ABV growth	0.1	1.4	0.04	(2.4)

- The Supermarket business witnessed a strong growth in performance, driven by growth in same store sales on the back of an increase in footfall.
- Margin improvement in comparison to competitors was supported through various advance analytics initiatives in key operational areas including supply chain, marketing and daily operating functions.
- Growth in same store footfall was driven by both existing and new customers through initiatives undertaken to attract customers, especially through the conversion from general trade to modern trade.
- ABV growth was marginally lower as the growth in weight of purchase (WOP) was offset by a relatively higher decrease in retail selling price (RSP) due to the deflation witnessed from the second quarter of 2024/25 onwards.
- The second half of 2024/25 was relatively more impacted by the decrease in RSP, although WOP continued to record an increase, demonstrating the continued improvement in consumer sentiment and demand.

Office Automation (%)	2024/25	2023/24	2022/23
EBITDA margin	9.7	10.0	18.8
PBT margin	8.3	11.1*	(8.2)**

**Impacted by exchange gains due to the appreciation of the Rupee.*
***Impacted by exchange losses due to the steep depreciation of the Rupee.*

New Energy Vehicles (NEV)

- John Keells CG Auto (Private) Limited launched BYD NEVs during the year.
- The total orders received to date have exceeded expectations with BYD capturing a fair share of the market.
- Based on the current order book, the market potential for NEVs and expectations of deliveries in the ensuing quarters, the earnings are expected to be material in the context of the Group's performance.

Strategy and Outlook

Immediate to Short Term

Supermarket Business

- Growth in footfall through modern trade participation, promotions and enhanced customer offerings.
- Emphasis on cost optimisation, productivity and working capital management.
- Expansion in the own label range and direct import portfolios to offer customers greater choice and value for money.
- Streamlined operations via distribution centres scaling business volumes.
- Advanced analytics to optimise pricing, promotions, and store operations to optimise margins and customer engagement.
- Omnichannel growth integrating food and grocery delivery platforms.
- Accelerated outlet openings given the positive outlook for the industry.

Office Automation Business

- Sustained performance in line with the stabilising macroeconomic conditions and improving consumer discretionary spending.
- Competition in the entry-level and mass market segments is expected to be driven by aggressive pricing strategies and frequent new product launches.

New Energy Vehicles Business

- NEV adoption in Sri Lanka is expected to gain momentum supported by the growing consumer interest in energy-efficient, sustainable mobility solutions.
- Business expansion through a broader product portfolio, enhanced sales and service networks.
- Charging infrastructure growth to support increasing demand.

Medium to Long Term

Supermarket Business

- Capitalise on the relatively low penetration of modern trade in the country.
- Expand in urban and suburban areas with cost-efficient formats.
- Enhanced shopping experience through focus on freshness, service excellence, and quality.
- Personalisation and insights through use of real-time data to deepen customer engagement and efficiency.

Office Automation Business

- Improve market share by leveraging world-class brands and distribution networks.
- Capitalise on emerging trends, growing demand for smart devices, and increased adoption of digital lifestyles, by curating a relevant and evolving product portfolio.

New Energy Vehicles Business

- NEVs are expected to emerge as a key growth segment, driven by global low-emission mobility trends and rising consumer preference for sustainability.
- Portfolio and ecosystem expansion through investments in product range and infrastructure to enhance business value.

LEISURE

Industry Potential

- Proximity to India and increased flight connectivity.
- Infrastructure led growth driving MICE and corporate tourists.
- Sought after tourist destination in the region, with increased popularity and recognition – centred around its natural diversity and cultural heritage.

Our Business

- Cinnamon, a well-established hospitality brand in Sri Lanka and the Maldives:
  - 3 Colombo Hotels
  - CODSL
  - 9 Sri Lankan Resorts
  - 4 Maldivian Resorts
- CODSL, an iconic integrated resort, is envisaged to transform Colombo's tourism offering a 800-key hotel, banqueting and conferencing spaces, mall and a casino.
- Combined room inventory of 3,468 rooms under management in both Sri Lanka and the Maldives.
- Land bank of 128 acres of freehold and 140 acres of leasehold land in key tourism locations.
- Leading inbound tour operator.

Key Performance Indicators

		2024/25	2023/24	2022/23
Colombo Hotels*				
Occupancy	(%)	62	60	42
ARR	(USD)	81	78	64
EBITDA margin	(%)	11.3	11.8	7.0
Sri Lankan Resorts				
Occupancy	(%)	65	68	41
ARR	(USD)	97	79	65
EBITDA margin	(%)	20.4	14.7	1.2
Maldivian Resorts				
Occupancy	(%)	84	86	88
ARR**	(USD)	271	275	255
EBITDA margin	(%)	28.8	30.5	32.5

**Both Occupancy and ARRs exclude Cinnamon Red Colombo and Cinnamon Life.*

***Net of green tax and allocation (F&B charge).*

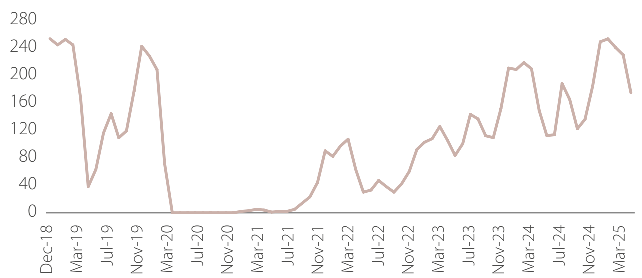
Quarterly Performance

2024/25		Q1	Q2	Q3	Q4
Colombo Hotels*					
Occupancy	(%)	40	66	66	77
ARR	(USD)	98	83	78	75
EBITDA margin	(%)	(2)	11	13	22
Sri Lankan Resorts					
Occupancy	(%)	49	64	68	82
ARR	(USD)	81	78	96	123
EBITDA margin	(%)	(5)	6	23	40
Maldivian Resorts					
Occupancy	(%)	71	89	86	91
ARR**	(USD)	235	194	285	364
EBITDA margin	(%)	10	16	34	43

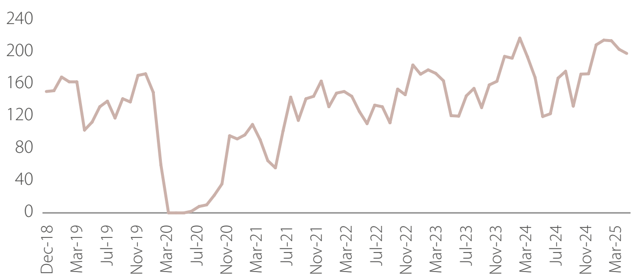
**Both Occupancy and ARRs exclude Cinnamon Red Colombo and Cinnamon Life.*

***Net of green tax and allocation (F&B charge).*

Tourist Arrivals to Sri Lanka
('000)



Tourist Arrivals to the Maldives
('000)



INDUSTRY GROUP HIGHLIGHTS

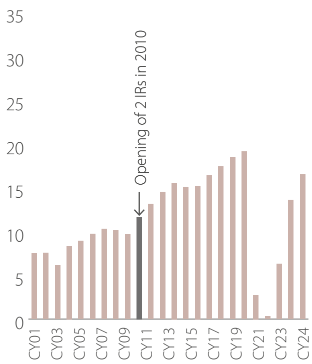
LEISURE

City of Dreams Sri Lanka

- The 687-key Cinnamon Life hotel, including restaurants, bars and banquet facilities commenced operations on 15 October 2024.
- As expected, the occupancy for the hotel will have a slow ramp up till demand for conferences and foreign events gather momentum, particularly given the lag effect for such bookings to materialise post the opening of a new hotel.
- The remaining elements of CODSL is progressing well, with the fit-out and finishing works relating to the 113-key Nuwa hotel and the casino near complete for its planned opening in August 2025.
- Following the commencement of operations at Cinnamon Life Hotel in October 2024, initial depreciation and interest expenses impact profitability. However, the expected revenue growth from the CODSL is anticipated to offset these costs in the coming quarters.
- The impact of the integrated resort on tourism and the economy are expected to be significant, mirroring the success of integrated resorts in the region - even in more advanced markets like Singapore.

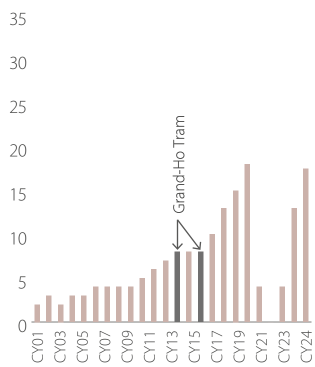
Opening of IRs have been a key driver of tourism

Tourist Arrivals - Singapore
(Millions)



Source: Department of Statistics Singapore.

Tourist Arrivals - Vietnam
(Millions)



Source: World Bank.

** The graphs illustrated show some of the key IRs in these jurisdictions and is not an exhaustive list.*

Partnership Structure of City of Dreams Sri Lanka:

John Keells Holdings PLC

99% effective stake

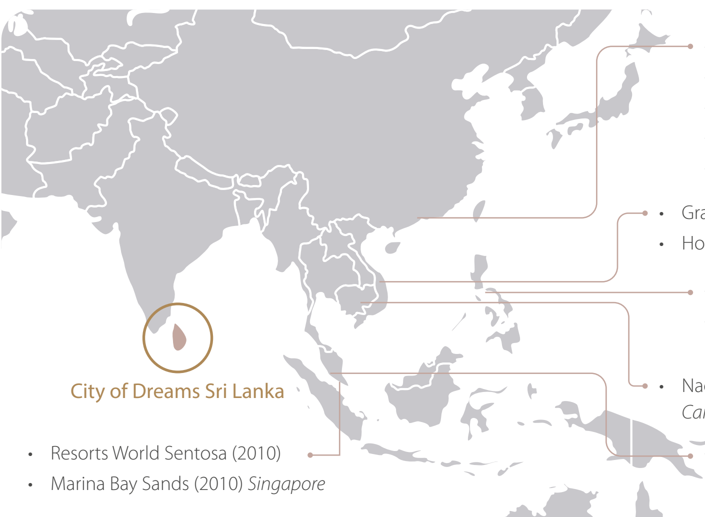
Waterfront Properties (Private) Limited

- Hotel (800-rooms)
  - Cinnamon Life: 687 rooms
  - Nuwa: 113 ultra high-end luxury rooms
  - Banqueting and restaurants and bars
- Conferencing facilities
- Retail Mall
- Two residential towers
- Office complex
- Gaming space

Melco

Waterfront Properties		Melco
Asset owner	Management fee paid to Melco → ← Provides hotel management services	• Operator of the ultra high-end luxury hotel.
Asset owner and landlord	Fixed rental and variable rental linked to EBITDA ← → Provides ~180,000 sq.ft. for casino operations	• Investment of ~USD 125 million to fit-out space. • Holder of casino license (valid for 20 years). • Operator of the gaming area.

First fully fledged Integrated Resort (IR) in South Asia:



- City of Dreams Macau (2009)
- Studio City (2015)
- Altira Macau (2007)
- Venetian Macau Casino (2007)
- The Parisian Macau (2016) *Macau*

- Grand Ho Tram (2013)
- Hoiana Resort and Gulf (2020) *Vietnam*

- City of Dreams Manila (2015)
- Solaire Resort and Casino (2013) *The Philippines*

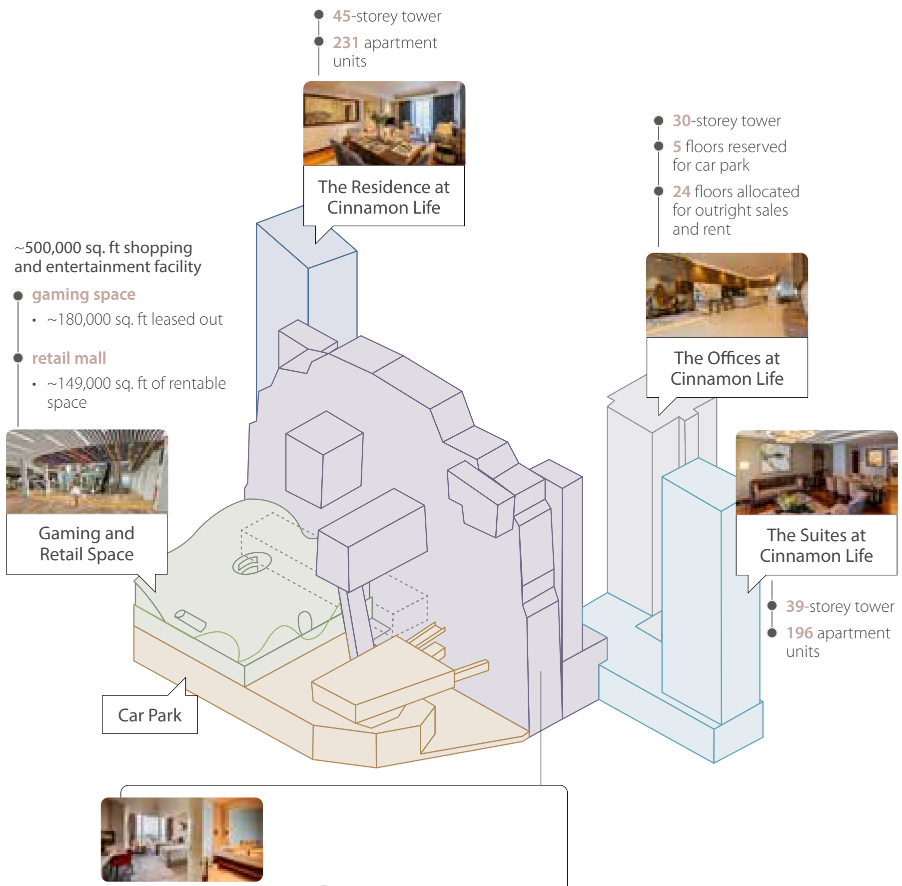
- Naga World Integrated Resort (2003) *Cambodia*

- Resort World Genting Malaysia (1971) *Malaysia*

- Resorts World Sentosa (2010)
- Marina Bay Sands (2010) *Singapore*

- No new developments planned within the region in the medium-term.
- City of Dreams Sri Lanka will primarily focus on international revenue from feeder markets in the region.

Note: List of IRs captured in the above is not exhaustive.



Cinnamon Life Hotel

Room types

- Premier Life, Cityscape View – 399 rooms
- Premier Life, Oceanfront View – 251 rooms
- Oceanscape Suite – 26 suites
- Skyline Suite – 11 suites

Restaurants, bars & lounges

- 6 Restaurants
- 5 Bars
- 1 Lounges

Nuwa - ultra high-end luxury-standard hotel

- 113 guest rooms
- Managed by Melco
- Situated on the top five floors of the hotel
- Dedicated access to casino
- 1 pool

Meetings and events

- A total of 11 venues with 160,000 sq. ft of meeting and event spaces.
- A dedicated team of event management professionals.
- State-of-the-art spaces equipped with the latest technology.

Kandy Myst by Cinnamon

In February 2025, the Group commenced operations of Kandy Myst by Cinnamon, located in the heart of Kandy.

- Partnership – John Keells Hotels PLC (KHL) and Indra Traders (Private) Limited, and managed by Cinnamon Hotels & Resorts.
- Ownership - KHL has a 40% equity stake.
- Total investment – USD 40 million funded through a combination of borrowings and equity.
- Room inventory - 215 keys.

Strategy and Outlook

Immediate to Short Term

- The current recovery trend in arrivals is expected to continue with growth across all key source markets and the increase in flight capacity.
- The opening of CODSL expands Colombo's premium room inventory and presents strong potential to reinforce the city's positioning as a high-end urban tourism and MICE destination.
- The anticipated commencement of casino operations is expected to attract high-net-worth travellers and drive a premium tourism segment.
- Comprehensive yield management strategy to ensure optimum returns.

Medium to Long Term

- The prospects for tourism remain extremely positive considering the diversity of the offering and the potential for higher regional tourism, particularly out of India considering the growing middle class driven by the strong growth of its economy.
- CODSL to be a key catalyst for tourism given its unique offering as a one-of-a-kind destination in South Asia. The collaboration with Melco, including access to the technical, marketing, branding and loyalty programmes, expertise and governance structures, will further drive synergies and demand.
- Continued focus on asset-light investment models as a part of the strategy to enhance the Cinnamon footprint.

INDUSTRY GROUP HIGHLIGHTS

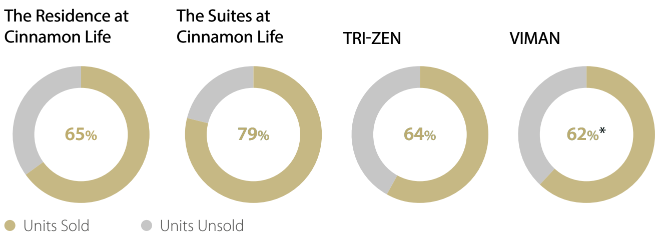
PROPERTY

Industry Potential

- An urban population of 17%, far below regional peers.
- Emerging suburban multi-family housing market.
- Increasing demand for mid-tier housing units within the city.
- Port City Colombo project, positioning Sri Lanka as a regional financial and trade hub.
- Increased demand for commercial space.
- Increase in demand for short term rentals and hospitality-linked real estate.

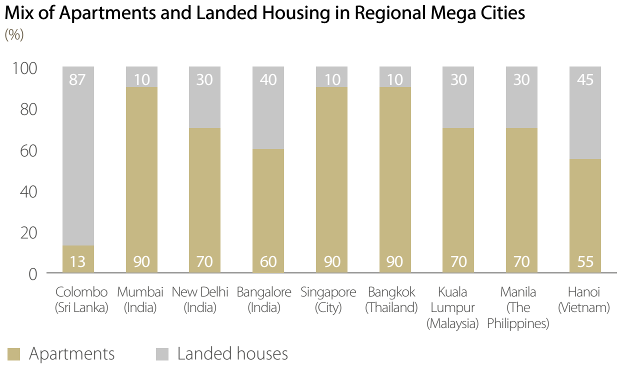
Our Business

- Projects developed under the Luxe Spaces, Metropolitan Spaces, Suburban Spaces and Leisure linked developments verticals which cater to the luxury, mid-tier and suburban multi-family housing segments.
- The sale/rental of units of the office tower at the Offices at Cinnamon Life.
- VIMAN, a suburban residential apartment development located in the heart of Ja-Ela.
- Ownership and operation of the Crescat Boulevard mall and management of the K-Zone mall in Moratuwa.
- Land bank:
  - Prime land bank of over 27 acres in central Colombo.
  - Developable freehold land of ~18 acres in close proximity to Colombo city.
  - Over 500-acres of scenic leased land with an 18-hole golf course and a developable land extent of ~80 acres.



*Out of the phases launched.

Mix of Apartments and Landed Housing in Regional Mega Cities



Mall Occupancy (%)	2024/25	2023/24	2022/23
K-Zone Moratuwa	100	100	99
Crescat Boulevard	76	85	73

Cumulative Sales (SPAs)	2024/25	2023/24	2022/23
The Residence	167	147	151
Suites	127	109	115
Commercial complex	5	4	4
TRI-ZEN	737	700	655
VIMAN	164	100	N/A

VIMAN, a Suburban Development Project

- Strong sales momentum since launch.
- Strategic location near Colombo Port access highway for connectivity.
- Growing buyer interest from new and non-traditional segments.
- Revenue recognition expected to ramp-up with construction progress.

Strategy and Outlook

Immediate to Short Term

- Buyer sentiment and investor interest in real estate are expected to remain strong in the near term, supported by macroeconomic stability and the prevailing low-interest rate regime.
- Continued exploration of investment opportunities in the emerging suburban areas of Colombo.
- Limited pipeline of new supply in the condominium industry provides opportunities to expand further in the segment.

Medium to Long Term

- Prospects for the housing market in Colombo and the suburbs continue to be promising on the back of drivers such as the expanding middle-class demographic, increased commercial activity within Colombo and potential for increased GDP per capita.
- Significant growth expected in the market for vertical and middle-income housing due to high land prices and construction costs of single-family houses.
- Investments and infrastructure spending channelled towards enhancing connectivity to the commercial centres of the country, will accelerate demand in suburban regions.
- Monetisation of the existing land bank of the industry group, subject to market conditions, through systematic development strategies to rollout a robust pipeline of developments via the land parcels available.

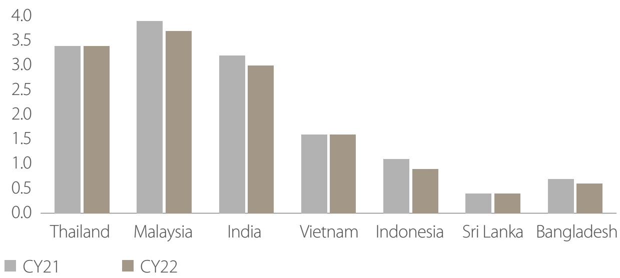
FINANCIAL SERVICES

Industry Potential

Life Insurance Industry

- Shifting demographics creating demand for health, retirement and financial protection insurance solutions.

Life Insurance Penetration in Regional Markets
(%)



Source : Swiss Re Institute, Sigma No 3/2023 report, Sigma No 4/2022 report and IRCSL Statistical Review 2022.

Banking Industry

- Increasing demand for digital infrastructure.
- Advances in technology around the integration of artificial intelligence (AI) and robotic process automation (RPA) in operational, customer servicing and administrative tasks in the long term.

Our Business

Life Insurance

- Operating footprint of 94 branches, excluding virtual locations.
- Agency force of over 2,814.
- Market share of ~12%.

Banking

- Branch network of 95 outlets, 58 ATMs and 99 CRMs.
- Strong online presence.
- Sri Lanka's first digital bank, FriMi.
- Sole acquirer of the flagship centurion product range of American Express cards in Sri Lanka.

Key Performance Indicators

		CY2024	CY2023	CY2022
Life Insurance				
Premium growth	(%)	15	13	8
Market share	(%)	12	12	12
Life fund	(Rs.billion)	78.4	65.0	55.4
Capital adequacy ratio	(%)	264	291	194
Banking				
Growth in loans and advances	(%)	6	(4.8)	(3)
Return on equity	(%)	24	21	17
Net interest margin	(%)	6.9	7.7	7.0
Stage 3 loan ratio	(%)	1.5	2.3	2.6
Capital adequacy ratio – total capital	(%)	22.7	19.7	16.3

Strategy and Outlook

Immediate to Short Term

Life Insurance

- Focus on transitioning to a value-driven, digital-first model by expanding its agency network, strengthening alternative distribution channels.
- Continue to build a customer-centric product portfolio aligned with evolving consumer preferences.
- Strengthening bancassurance partnerships while maintaining alignment with stakeholder expectations, including those of the agency force.

Banking

- Continue to adopt a measured, risk-conscious approach to capitalise on emerging opportunities while maintaining strong liquidity and asset quality.
- Delivering personalised, customer-centric financial solutions throughout the customer lifecycle.
- Technology will be leveraged to drive innovations, enhance customer value offerings, and improve operational efficiency.

Medium to Long Term

Life Insurance

- Transitioning into a fully digital, customer-focused insurer while strengthening long term profitability and community impact.
- Offering modular, innovative insurance solutions tailored to evolving customer needs across health, retirement, and wellness.
- Executing a digital roadmap anchored on AI, RPA, and data analytics to enhance customer engagement, streamline operations, and deliver cost efficiencies.

Banking

- Further strengthen digital infrastructure and processes to enhance customer experience, drive operational efficiency, and deliver innovative financial solutions.
- Integrate climate risk into core risk management frameworks, including portfolio modelling and stress testing.

INDUSTRY GROUP HIGHLIGHTS

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Industry Potential

Information Technology

- Increased demand for emerging technologies such as artificial intelligence (AI), blockchain, and the Internet of Things (IoT) and traction for cloud computing.
- Increased digital adoption within the country and growing digital literacy.
- Investment in futuristic technology infrastructure.
- Opportunities for managed services, outsourcing and offshoring.
- Envisaged growth in the business process management (BPM) industry.

Plantation Services

- Emerging demand for teas infused with functional ingredients.
- Opportunities for premiumisation.
- Technological integration, including of artificial intelligence (AI) in the grading and auctioning process.
- Cultural and experiential marketing.

Our Business

Information Technology

- Software solutions and consultation services based on internet of things (IOT), robotic process automation (RPA) and other digital stack solutions.
- Market leadership in Sri Lanka and the United Arab Emirates, while pursuing expansion in India, Saudi Arabia, and Southeast Asia.
- Strategic partnerships with SAP, Microsoft and Salesforce.
- BPM service provider with the mandate of driving greater efficiencies for its clientele, diversifying into the areas of human resource outsourcing and lead generation.

Plantation Services

- Leading tea and rubber broker.
- State-of-the-art warehousing facility for pre-auction produce.

Strategy and Outlook

Immediate to Short Term

Information Technology

- Leverage on its strategic partnerships and capabilities to offer smart software solutions, especially in the areas of cloud computing, software as a service (SaaS) and automation.
- Digital literacy and adoption continue to rise across the country, creating ample opportunity for industry to leverage on.

Plantation Services

- Demand from health-conscious consumer segments remains strong, particularly in the Middle East.
- Geopolitical issues, devaluation of currency in key export markets and volatile exchange rates may impact demand as well as lead to higher insurance and freight costs for tea exporters.

Medium to Long Term

Information Technology

- Explore opportunities in cloud-based solutions and services across industries, with emphasis on cloud, SaaS, automation, advanced analytics, application modernisation, cyber resilience and platform/ecosystem thinking, among others.
- Leverage on its strategic partnerships with SAP, Microsoft, and UiPath to expand regionally, focusing on high-value consultative offerings across five key value stacks: Strategy, Core, Cloud, Platforms and Ecosystems.
- The low penetration of BPM services in Sri Lanka and the increasing demand for nearshore and offshore talent continue to present substantial growth opportunities.

Plantation Services

- Driving volume growth by collaborating with producers to ensure consistency in supply and reduce volatility in auction offerings.
- Adverse and increasingly unpredictable weather conditions caused by climate change pose a significant challenge.
- Optimising warehousing operations by increasing the use of solar energy, enhancing the racking systems, and improving the efficiency of loading and unloading operations.

GOING STRONG

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CONSOLIDATED REVIEW

This Report is prepared in accordance with the Integrated Reporting Framework of the IFRS Foundation with an aim of providing our stakeholders an insightful view of the Group's operations. The Group Consolidated Review of the Management Discussion and Analysis (MD&A) segment consists of the following sections.

Entails a discussion of key economic, political and regulatory, social, environmental and technological variables, which favourably or unfavourably, impacted the Group's ability to create value.

Illustrates the value creation process of the Group, encapsulating the interrelation among the inputs, frameworks, and processes, which collectively drive value creation.

Discusses the forms of Capital available for deployment and how such Capital transformed value to stakeholders, at a Group level. It also reviews the performance of each form of Capital and the value enhancement/deterioration during the year under review. The discussion on each form of Capital comprises of two parts, as applicable:

- An analysis of value creation/deterioration during the year under review
- Management approach

Entails a discussion of the Group's approach to navigating through the socio-economic and socio-political landscape, as well as the way forward for the Group. The discussion comprises of three parts:

- Macroeconomic Outlook, from both a global and local perspective and the implications on the Group
- Group Outlook, which discusses the key focus areas of the Group going forward
- Key Risks to the outlook based on the risks identified as a part of the Group's Enterprise Risk Management framework and its approach to managing such risks optimally

Analyses the performance of the overall portfolio, the overall strategy and means by which each form of Capital is allocated for investments. The performance of the Group is also measured against the long term strategic financial objectives of the Group.

Entails a high-level discussion on the performance of financial markets, both globally and locally, followed by a detailed discussion of the JKH share performance. Mandatory disclosures pertaining to the Company's shareholders are also included in this section.

OPERATING ENVIRONMENT

This section covers the Group's external operating landscape from an economic, political and regulatory, environmental and social, and technological standpoint, and the resultant impacts on the Group during the year.

GLOBAL ENVIRONMENT

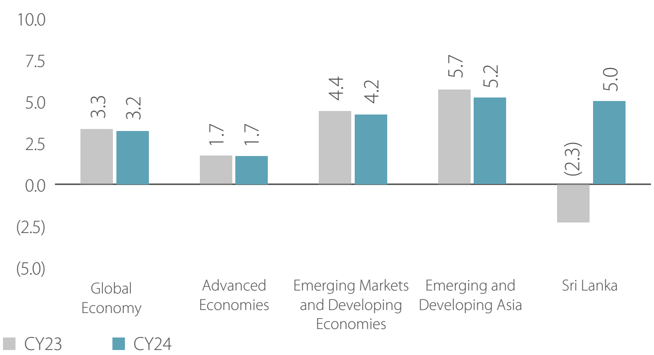
Global economic growth stood at 3.2% in CY2024, a marginal moderation from 3.3% in CY2023, with growth patterns varying significantly across regions. Most major Asian economies experienced slower than expected growth, such as China due to a slowdown in consumption, India due to a deceleration in industrial activity, and Japan owing to supply disruptions. Europe witnessed sluggish growth driven by weaknesses in manufacturing and exports. In contrast, the United States (US) demonstrated robust growth, driven by strong domestic demand and consumption.

Global inflation continued to steadily decline to 4.2% in CY2024, moving closer to central bank targets, alongside the normalisation of labour markets, which helped ease wage pressures and stabilise economic conditions. Global financing conditions also remained accommodative to a certain extent, allowing businesses and consumers to access credit relatively easily.

Economic policy uncertainty remained elevated in CY2024 due to changes in Governments, political instability and rising geopolitical tensions. The swift escalation of trade tensions and high levels of policy uncertainty following the announcement of a series of new tariff measures by the US and countermeasures by its trading partners in early CY2025, are likely to have an implication on global economic activity and trade and pose a potential downside risk to global growth going forward.

Refer Group Outlook and Risks for further details – page 116

CY23 vs CY24 Economic Growth
(%)



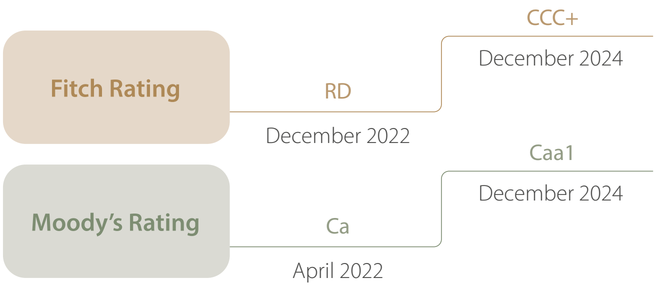
Source: World Economic Outlook January 2025, International Monetary Fund/Annual Economic Review 2024, Central Bank of Sri Lanka

LOCAL OPERATING ENVIRONMENT

Economic Landscape

Sri Lanka continued its recovery in CY2024 with stronger than expected macroeconomic performance, and all key indicators and fundamentals supporting a sustained growth trajectory. The economy recorded a Gross Domestic Product (GDP) growth of 5.0% in CY2024, marking its strongest performance since CY2017, albeit off a lower base. This rebound was supported by policy adjustments and structural reforms led by the Government and the Central Bank of Sri Lanka (CBSL), together with the framework of the International Monetary Fund – Extended Fund Facility (IMF-EFF) programme and the return of business and consumer confidence and pickup in credit growth. Government revenue continued to show strong growth driven by enhanced tax collection and improved economic activity.

The much-anticipated upgrade in the country's sovereign rating, post the restructuring of its external debt, marked a crucial step for the country as it signalled Sri Lanka's official exit from default since CY2022. Further, the strong mandate secured by the Government at both the Presidential and Parliamentary elections paves the way towards sustaining political stability in the country. The conclusion of the Local Government elections in May 2025 also means that there will be no requirement for elections for the next couple of years, therefore enabling the Government to focus on economic growth drivers and the reform agenda.



Inflation declined significantly, partially due to a base effect, with the country entering a period of deflation from September 2024 onwards, and reaching negative 4.2% in February 2025 before moderating to a deflation of 2.6% by 31 March 2025. To support continued economic recovery, monetary policy was further eased with policy rates reduced by 125 basis points during CY2024, facilitating credit expansion and a faster rebound in domestic economic activity. Accordingly, interest rates remained below 10% during the financial year, on the back of targeted monetary policy initiatives. In November 2024, the CBSL replaced the dual policy rate system (Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR)) with the introduction of an Overnight Policy Rate (OPR). In May 2025, the Central Bank of Sri Lanka (CBSL) reduced the OPR by a further 25 bps to 7.75%, continuing its efforts to stimulate economic activity and to guide inflation closer to its 5% target.

The external sector continued to demonstrate resilience, on the back of a notable increase in net foreign exchange inflows driven by strong growth in exports, worker remittances and tourism receipts. As a result, during CY2024 the country's gross official reserves increased to USD 6.1 billion, equivalent to 3.9 months of imports.

International Monetary Fund and the Extended Fund Facility Arrangement

The 48-month IMF-EFF Programme initiated in September 2022, continued into 2024/25, supporting the country's economic recovery.

Key Developments:

- Third tranche: USD 337 million received in December 2024.
- Fourth tranche: USD 334 million disbursed in March 2025.
- Total disbursement: USD 1.34 billion out of the approved USD 2.9 billion.
- Fourth review: Conducted in April 2025, paving the way for the next tranche post IMF Board approval.

During the year, Sri Lanka made significant progress in meeting the IMF conditions and targets. The IMF continues to stress on tightening the tax exemption framework and having cost-recovery electricity pricing, particularly following the substantial electricity tariff reductions made during the year. The key economic indicators of achieving post crisis economic growth of 5.0% in CY2024, decline in inflation to negative 2.6% as at March 2025, indicating price stabilisation permitting loose monetary policy, the strengthening of the external sector and notable progress in strengthening governance and addressing corruption-related issues are positive factors driving the overall recovery momentum.

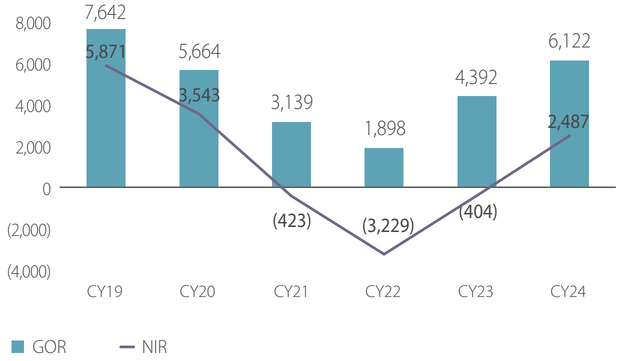
Debt Restructuring

Following the completion of the domestic debt optimisation in July 2023, Sri Lanka achieved significant progress in concluding the external debt restructuring process during CY2024.

Key Milestones:

- A Memorandum of Understanding (MoU) was signed with the Official Creditor Committee (OCC), covering a USD 5.8 billion debt quantum.
- A debt treatment agreement covering USD 4.2 billion was finalised with the Export-Import Bank of China, marking the conclusion of nearly two years of negotiations.
- Following the successful completion of consultations with the OCC and the IMF regarding the Agreement in Principle (AIP) reached with international and local holders of International Sovereign Bonds (ISBs), the restructuring of ISBs was successfully completed in December 2024.
- In April 2025, Sri Lanka finalised the restructuring of bilateral debt with India amounting to ~USD 1.4 billion.

Gross Official Reserves (GOR) and Net International Reserves (NIR)
(USD million)



Sri Lanka's cumulative tourist arrivals for CY2024 stood at 2.1 million arrivals, largely in line with the Sri Lanka Tourism Development Authority's (SLTDA) target, although still ~10% below pre-pandemic levels.

Refer Leisure industry group review for further details – page 181

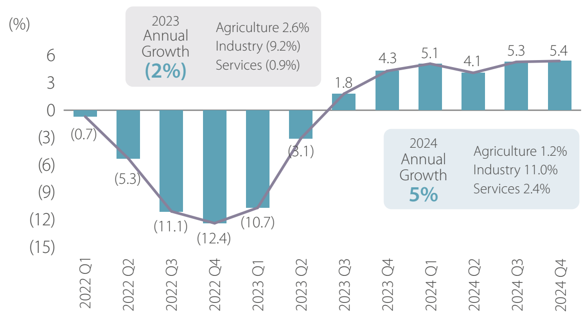
The current account recorded a surplus for the first time since the second half of CY2022. The collective impact of improved foreign exchange inflows and reserves supported the stabilisation of the Sri Lankan Rupee, which appreciated by 10.7% point to point in CY2024, although a marginal depreciation of 1.3% was recorded in the fourth quarter of 2024/25, point to point, due to short term market volatility under the flexible exchange rate regime. Given the favourable economic developments during the year, the Government gradually relaxed restrictions on imports and capital controls, including permitting the resumption of vehicle imports in February 2025. This relaxation will help drive Government tax revenue in CY2025 while the reserves position of the CBSL will provide adequate buffers to manage any exchange rate impacts arising from this measure.

The relative macroeconomic stability coupled with improved political stability, has laid a strong foundation for sustained business growth and broader economic expansion. Following a prolonged period of uncertainty, these improvements will enable driving greater investor confidence, economic resilience, and a sustained long term recovery.

Economic Activity

Continued progress in economic recovery…

Quarterly Real GDP Growth



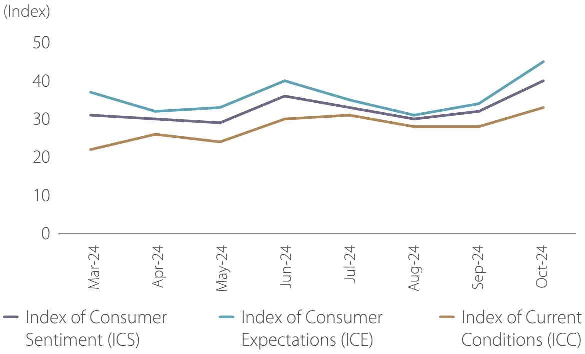
Source: Central Bank of Sri Lanka

The Sri Lankan economy recorded a 5.0% growth during CY2024 based on GDP at constant (2015) market prices. This growth, underpinned by steady growth throughout all four quarters, exceeded the World Bank's outlook of 4.4% for the year.

Consumer Confidence

Positive momentum in consumer confidence…

Consumer Confidence



Source: Institute for Health Policy

The consumer confidence indices of the Institute for Health Policy recorded improvements during the year, although still at pessimistic levels. The indices range from zero to a potential maximum 100, with levels below 50 indicating net pessimism.

As per the Mood of the Nation Survey's indicators, Economic Outlook and State of the Economy, by Verité Research, consumers have shown increased optimism regarding the state of the economy and the economic outlook. The state of the economy measures perceptions of the country's economic conditions as excellent/good or poor, while the economic outlook measures whether consumers believe the country's overall economic conditions are improving or deteriorating.

Impact/Response

The Group recorded strong growth across most businesses during the year, supported by the stabilisation of the country's operating environment and improved macroeconomic conditions.

The increase in economic activity and the uptick in consumer confidence were evident in the Group's consumer facing businesses, particularly in the Consumer Foods and Retail businesses, which experienced a steady growth in volumes and sales across all four quarters. Positive momentum was also observed in the Property businesses, aided by the broader economic revival, lower interest rates and improving market confidence.

"The Group recorded strong growth across most businesses during the year, supported by the stabilisation of the country's operating environment and improved macroeconomic conditions."

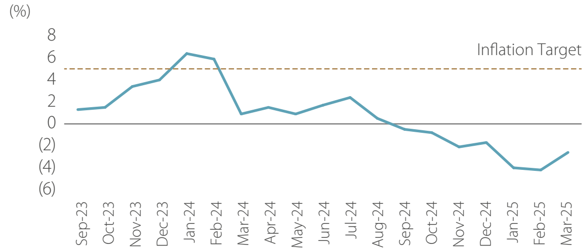
Inflation

Shift from inflation to deflation…

Aided by:

- Reduction in electricity tariffs in March and July 2024
- Strengthening of Sri Lankan Rupee
- Cost-reflective downward fuel price adjustments
- Moderation of global commodity prices

Colombo Consumer Price Index (CCPI)



Source: Central Bank of Sri Lanka

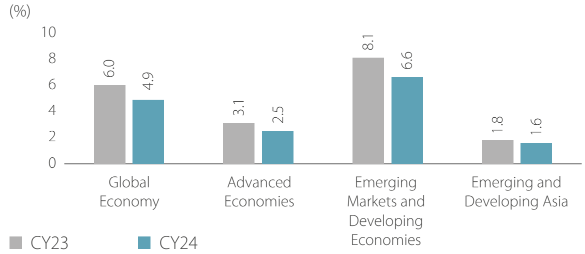
Headline inflation recorded an uptick in early CY2024, driven by the increase in the Value Added Tax (VAT) rate and removal of VAT exemptions on certain categories which were earlier exempted. Thereafter, inflation noted a rapid disinflation on the back of a reduction in electricity tariffs, a stronger Sri Lankan Rupee, moderation in global commodity prices and the downward fuel price adjustments, among others, resulting in deflation from September 2024 onwards.

Continued global disinflation…

Driven by:

- Lagged effects of previous monetary policy tightening.
- Slower than expected economic growth across key economies.

CY2023 vs CY2024 Inflation



Source: World Economic Outlook April 2025, International Monetary Fund

Impact/Response

The easing of price pressures supported business performance during the year, benefiting both cost and demand-side dynamics. Price reductions in gas and other fuel categories and a decline in the overall price levels of food items contributed to higher purchasing power, benefiting the Group, particularly the consumer facing businesses.

Lower electricity tariffs and a decline in raw material prices from previous peak levels helped ease cost pressures across Group businesses, resulting in margin improvements supported by higher volumes, particularly in the Consumer Foods and Retail businesses.

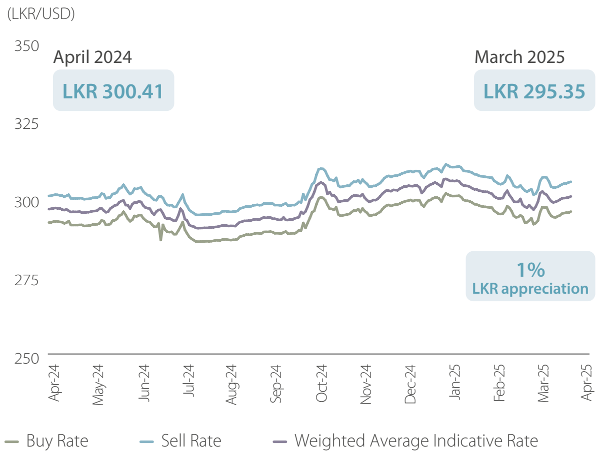
A more stable price outlook and a decline in construction costs enabled the businesses to focus on expansion, most notably through the rollout of new outlets in the Supermarket business and new developments such as VIMAN in the Property industry group.

Exchange Rates

Sustained currency stability…

Aided by:

- Steady net inflow of foreign currency, backed by increased worker remittances, earnings from tourism and exports alongside moderate outflows from imports and other current account outflows.
- Occasional market intervention by the CBSL to mitigate excess volatility.
- Strengthened macroeconomic fundamentals.



Source: Central Bank of Sri Lanka

Impact/Response

The appreciation of the Sri Lankan Rupee during the year supported the cost base of the Group, particularly through lower costs of imported raw material and goods.

Conversely, the appreciation of the Sri Lankan Rupee had a negative impact on businesses with dollar-denominated revenue streams, particularly in the Leisure and Transportation industry groups. The performance of such businesses was moderated, to an extent, as a result of the translation impacts.

The Holding Company has foreign currency cash holdings amounting to USD 205 million through funds raised for the Group's investment pipeline via various corporate actions in the past three years. As a result, the Holding Company recorded foreign exchange losses on its net USD cash holdings.

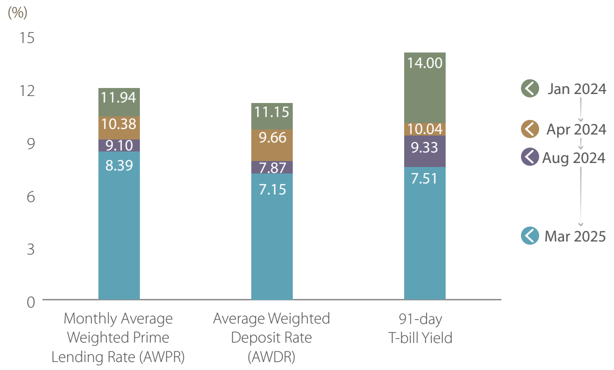
At a Group level, the appreciation of the Sri Lankan Rupee resulted in a translation impact on the Group's foreign currency denominated liabilities and related payments, including the outstanding USD 167 million loan from the International Finance Corporation (IFC) and the USD 207 million loan at Waterfront Properties (Private) Limited (WPL), notwithstanding the partial hedge against foreign currency denominated USD cash holdings.

Local Interest Rates

Easing interest rate environment…

Driven by:

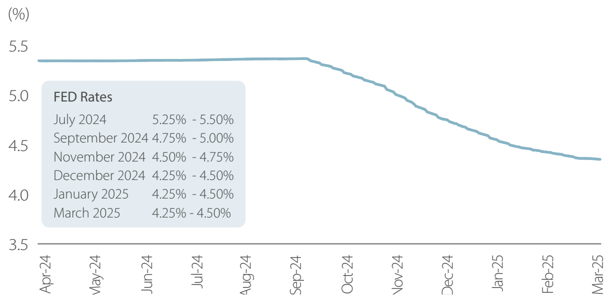
- The accommodative monetary policy prevailing since mid-CY2023.



Source: Central Bank of Sri Lanka

Global interest rates noted a downward trajectory…

90-day average Secured Overnight Financing Rate (SOFR)



Source: Federal Reserve Bank of New York

The US Federal Reserve maintained steady rates through mid-CY2024 before commencing a cycle of rate cuts from September 2024 onwards, in response to easing inflation and a softening of the labour market. The Fed implemented three consecutive rate cuts in tandem with the improvement in economic indicators, following which the policy rate was kept static since January 2025.

Impact/Response

Finance expenses of the Group recorded a decrease primarily driven by the decline in market interest rates.

Residential sales of the Property industry group gained momentum against the backdrop of a lower interest rate environment. The easing of rates continued to encourage a shift in investor interest towards equity and alternate investments (which includes real estate), aiding the performance of the Property industry group.

The shift in funds to equity markets augured well for select businesses such as the Insurance business, which benefited from the encouraging performance of its equity investment portfolio.

In respect of the Group's foreign currency borrowings portfolio, interest rate swap agreements are in place for a sizeable portion of the facilities, in order to mitigate the Group's exposure to rate fluctuations.

Refer Financial and Manufactured Capital Review: Finance Expense and Finance Income – page 58

Political and Regulatory Landscape

Political and Economic Stability

Sri Lanka held its Presidential and Parliamentary Election in September and November 2024, respectively. Marking a notable shift in Sri Lanka's political landscape, the National People's Power (NPP) secured both the presidency and a two-thirds majority in Parliament becoming the first political party outside the historically dominant political groups to achieve such a mandate, with broad support across the country. The conclusion of the Local Government elections in May 2025 showed a broadly similar trend to the popular vote witnessed in the Presidential election although the Government did not record a clear majority. The conclusion of all the main elections of the Presidential, Parliamentary and Local Government Elections, together with the strong mandate secured by the Government, paved the way for overall political stability in the country coupled with a strong platform for sustained growth as well as business and consumer confidence.

Impact/Response

The stabilised economic conditions and political landscape have provided businesses with greater certainty and confidence than in recent years. This renewed stability has enabled businesses to recover more effectively and supported growth across key sectors.

Tax Laws and Regulations

Refer the respective Industry Group Reviews for developments on taxation and regulations which are specific to the industries/sectors the Group operates in.

Impact/Response

The evolving regulatory environment during the year under review had a mixed impact on businesses within the Group. The relaxation of vehicle import restrictions enabled the New Energy Vehicles business to expand its operations and cater to the pent-up market demand. Whilst other regulatory changes such as new compliance obligations relating to food regulations and advertising, may present initial challenges in adaptation, businesses within the Group are actively adapting to these changes, viewing them as essential steps towards building stronger, more resilient, and future-ready operations. Continuous engagement with regulatory authorities, proactive compliance efforts, and strategic operational adjustments remain key priorities as Group businesses work towards turning these challenges into opportunities for sustainable growth.

Geopolitical Considerations

The global political landscape was marked by increasing tensions, particularly between major powers, exerting pressure on international relations and economic stability. The Israel-Palestine conflict continued to affect global trade dynamics during the year, with prolonged disruptions to Red Sea shipping routes, resulting in broader implications on global supply chains. Although the recent eruption of conflict between India and Pakistan also created significant uncertainty, particularly in the South Asian region and for Sri Lanka, the direct macroeconomic impact has so far remained contained, following a ceasefire agreement reached in early May.

Impact/Response

The implications from the geopolitical landscape were muted in CY2024 with minimal impact on the country. The re-routing of shipping due to the Red Sea disruption continued to drive increased traffic into the Port of Colombo, resulting in growth in both volumes and margins for the Transportation industry group.

The rapid escalation of trade tensions and policy uncertainty in early CY2025, triggered by the recent announcement of the US tariffs and retaliatory measures, resulted in significant uncertainty, although, there are no material direct impacts on the country as of now. The Group does not have any direct exposure and remains insulated from such impacts, although the implications of indirect impacts of a slowdown in global growth and trade, depending on where the overall tariff discussions settle post the current 90-day pause, or on a significant decline in exports in Sri Lanka could have macroeconomic implications on GDP growth and consumer confidence. Similarly, there could be partially mitigating circumstances such as lower oil and commodity prices and intra-Asia trade positives which are too early to ascertain at this juncture.

Environmental and Social Aspects

Climate Change

During the year, escalating climate events and environmental risks intensified the global focus on sustainability. The International Chamber of Commerce estimated that climate-related extreme weather caused economic losses exceeding USD 2 trillion in CY2023, impacting physical infrastructure, human livelihoods, and the broader economy.

The Global Risks Report 2025 by the World Economic Forum further highlighted that environmental risks would dominate both the near and long term global outlook.

Impact/Response

The Group continued to prioritise responsible resource management, climate resilience, and biodiversity conservation, reinforcing its position as a leader in sustainable corporate practices. Various initiatives were undertaken across the industry groups, focusing on areas such as greenhouse gas (GHG) emissions, energy management, water stewardship, waste management, and biodiversity preservation. In addition, the Group emphasised extended product responsibility through initiatives such as Plasticcycle, Gunadamin, and Good Water.

Refer Natural Capital Review for further details – page 68

OPERATING ENVIRONMENT

Sustainability Reporting

With the adoption of the International Sustainability Standards Board (ISSB) sustainability standards gaining momentum across jurisdictions, there was heightened attention on the integration of Environmental, Social, and Governance (ESG) factors into economic decision-making and corporate reporting.

Impact/Response

To align with SLFRS S1 and S2, the local standards introduced by Institute of Chartered Accountants of Sri Lanka (ICASL) for sustainability-related financial disclosures and climate-specific disclosures, the Group partnered with an external consultant with international expertise to perform a comprehensive gap analysis across both Group and sector-level teams. This initiative ensures readiness to meet the Colombo Stock Exchange's (CSE) reporting requirements for 2025/26. The standards were effective from 1 January 2025.

Non-Discrimination and Equal Opportunity

The World Economic Forum's Future of Jobs Survey highlighted diversity, equity and inclusion (DE&I) initiatives as key drivers of improving talent availability, with particular emphasis on the inclusion of women, people with disabilities, multiple generations, and LGBTIQ+ individuals.

Regulatory developments and heightened investor expectations continued to push companies to prioritise board diversity, spanning gender, race, and ethnicity.

Post the US Presidential Elections, the US has undertaken a comprehensive rollback of DE&I initiatives across the Federal Government, with corresponding impacts on institutional practices.

Refer Group Outlook and Risks for further details - page 116

Impact/Response

The Group remained steadfast in its commitment to DE&I initiatives, actively championing inclusivity and diversity across its workforce and value chains under the ONE JKH brand. A multitude of activities were implemented at both Group and business unit levels to support this agenda.

Refer Human Capital Review for further details – page 86

Poverty Levels

According to the World Bank, Sri Lanka's poverty rate declined slightly to 24.5% in CY2024 from 25.9% in CY2023, though it remains nearly double the pre-crisis level of 11.3% recorded in CY2019.

The vulnerable segments of society in the country continued to face food insecurity and malnutrition, with elevated living costs (although lower than the comparative period) leading to changes in household dietary patterns and a reduced intake of nutritious foods.

Impact/Response

In addition to the initiatives launched to support Group employees, business partners, and suppliers, the Group's corporate social responsibility (CSR) arm implemented a range of interventions aimed at addressing critical social, economic, and environmental challenges in Sri Lanka.

Some key initiatives of the Group included:

- The school meal programme which continued to support children, enhancing their nutrition, attendance, and learning engagement.
- Food redistribution and farmer food waste reduction projects of the Supermarket business.
- The John Keells Praja Shakthi programme aimed at skills development, capacity enhancement and creating sustainable livelihoods and income, amongst others.
- Scholarship programmes to provide students with better education and career prospects.

Refer Social and Relationship Capital Review – page 99

Technological Environment

Growing Use of Big Data and Increased Technology Adoption

In CY2024, the global big data analytics market was valued at ~ USD 350 billion, according to DemandSage, demonstrating continued expansion from previous years. The volume of data generated through technologies such as social media and artificial intelligence (AI) strengthened the importance of data analytics in improving decision-making processes and tailoring customer experiences.

Nevertheless, the rising use of these technologies also amplified the risks of misinformation, posing new challenges for businesses and societies globally.

Impact/Response

OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence, in collaboration with Group businesses, continued to develop and rollout use cases to capitalise on data analytics. During the year, OCTAVE also expanded its services to provide advanced analytics solutions to external clients.

Refer Intellectual Capital Review for further details – page 111

Cyber Security, Data Protection and Internal Controls

Cyber threats continued to escalate in CY2024, adversely impacting businesses through loss of revenue, operational downtime, and rising post-breach management costs such as customer service expansion and regulatory fines. IBM's latest report estimates that the average total cost of a breach increased to USD 4.88 million in CY2024 from USD 4.45 million in CY2023. In Sri Lanka, Kaspersky highlighted growing cybersecurity risks with 9,218 financial phishing incidents and 12.5 million local malware cases during the year.

Occupational Fraud Report 2024 by the Association of Certified Fraud Examiners notes that a majority of occupational frauds were linked to a lack of internal controls, overriding of existing safeguards, or inadequate management supervision.

Impact/Response

The Group has a well-defined Information Technology (IT) governance structure, which leverages best practice and industry-leading models to ensure compliance and manage risks.

Additionally, the Group has established necessary internal controls to ensure the integrity of the Group's accounting and financial reporting systems, the robustness of the internal control systems via the review and monitoring of such systems on a periodic basis and proactively promote anti-fraud, anti-corruption, and anti-bribery measures.

Refer Corporate Governance Commentary: IT Governance – page 258 and Internal Controls – page 269

Research and Development (R&D)

Gartner data highlights that in CY2024, R&D leaders' top priorities centred around improving efficiency and productivity, specifically focusing on reducing new product development cycle times, maintaining a healthy balance across R&D portfolios, and investing in the digital transformation of R&D operations.

Impact/Response

The Group's R&D arm, John Keells Research, actively pursued the discovery of innovative and efficient business solutions.

Meanwhile, OCTAVE and businesses across the Group are exploring the impacts and opportunities of AI, integrating it into business strategies to enhance productivity and, more importantly, to strengthen customer centricity and competitiveness.

Refer Intellectual Capital Review for further details – page 111

Refer Corporate Governance Commentary for developments on Governance front – page 230

OUR BUSINESS MODEL

In this section we explore how our Business Model shapes and directs our widely diversified operations and activities.

This includes the five capitals that provide inputs - the relationships and resources we employ to create and deliver our Group strategy. We also describe our Governance Framework and policies, strategies in place to create meaningful value for all our stakeholders and our progress in terms of ESG targets, together with an evaluation of the economic, social and environmental impacts of our value creation activities.

	Input	Value Creation Activities
Financial and Manufactured Capital Page 53	• Shareholder funds: Rs.399 billion • Net debt excl. leases: Rs.117 billion • Land bank • Machinery, plant and equipment	• Effective and responsible investment of shareholder funds • Business development activities • Cost reduction initiatives
Natural Capital Page 68	• Energy • Water • Waste • Biodiversity • Extended Product Responsibility • Other natural resources	• Development of ambitions and goals • Identification and implementation of continuous improvement initiatives and strategic initiatives to manage impacts of operations. • Quarterly monitoring and reporting of environmental parameters • Implementation of strategic initiatives
Human Capital Page 86	• Total Employees: 18,342 • Employee diversity, equity, and inclusion (DE&I) • Employee competencies and expertise • HR policies, processes and systems	• Acquisition of the right talent • Leveraging employee competencies and expertise for business growth • Performance management • Training and development of employees • Compensation and benefits • Employee engagement and well-being • Compliance and risk management
Social and Relationship Capital Page 99	• Dedicated corporate social responsibility (CSR) entity • Affiliations with industry, governing bodies and other stakeholders • Regular dialogue with investors, analysts and other stakeholders • Staff volunteerism • Investor relations and stakeholder management	• Investment in education, community and livelihood development, social health & cohesion and biodiversity • Identification of key stakeholders and material aspects in relation to them • Strategic and sustainable community development • Awareness creation and engagement of suppliers • Social impact assessments • Initiatives based on social needs assessment aligned to Sustainable Development Goals (SDGs)/ UN Global Compact/national development priorities
Intellectual Capital Page 111	• Brand equity and stewardship • Research and development • Technological expertise • Digital infrastructure	• Development of intangible infrastructure, processes and procedures to improve efficiency • New product development • Innovation

Vision: Building businesses that are leaders in the region

Values: Caring | Excellence | Trust | Innovation | Integrity

Strategies:

- Driving growth and value that is consistent, competitive, profitable and responsible
- Flexible cost structures to ensure optimisation of costs and thereby driving efficiencies and profit maximisation
- Increasing brand equity through a comprehensive market assessment, understanding of its target value proposition, and internal alignment to the brand promise and vision
- Recruiting, developing and retaining a talented pool of employees
- Re-engineering, process improvements, and continual strengthening of the enterprise risk management and quality management frameworks
- Minimising environmental impacts through impact analysis and stakeholder engagement
- Advancing a culture of equitable inclusion amongst the workforce and value chain and ensuring the dignity and diversity of all employees and value chain partners
- Ensuring that communities develop relevant life skills, and that the external environment is sustainable under the corporate social responsibility (CSR) mandate of 'Empowering the Nation for Tomorrow'

Processes and Frameworks

Page 230

Corporate Governance Framework	Group Policies, including the Code of Conduct	Strategy Formulation and Decision-Making
Integrated Risk Management Framework	Information Technology Governance	Human Resource Governance
Tax Governance	Sustainability Governance	Stakeholder Management and Effective Communication
Resource Allocation and Portfolio Management	Corporate Social Responsibility	

Note: Initiatives across the Group are carried out based on materiality towards the businesses, economic and social needs assessments and aligned to national development priorities, UN Global Compact commitments, and other factors. Whilst these initiatives have an impact on SDGs, they are not currently designed with the specific intention of measuring their direct impact against the SDGs.

OUR BUSINESS MODEL

	Output			Outcome
Financial and Manufactured Capital Page 53	• Shareholder returns and dividends • Payments to other stakeholders	Rs.46 billion EBITDA Rs.50 billion Capital Expenditure	Rs.7 billion Profit After Tax	• Financial stability • Financial growth • Creation of wealth
Natural Capital Page 68	• Disposal of all effluent and waste efficiently • Reduction of carbon footprint • Reduced resource consumption through better monitoring	0.49 MT Carbon footprint (per Rs.million of revenue) 1,060,480 GJ Energy used	57% Non-hazardous waste reused/ recycled	• Sustainable natural resource utilisation • Bio-diversity preservation
Human Capital Page 86	• Staff motivation • Talented and efficient workforce • Job satisfaction • Career progression • Safe and equitable environment	63% Executive workforce retention 344 Injuries 100% Performance reviews completed	32 hours Average hours of training per employee 66:34 Male:Female staff ratio	• Alignment of workforce with Group vision • Profitable businesses through improved productivity and efficiency
Social and Relationship Capital Page 99	• Community skills development • Well informed and sound investment decisions • Better supplier/ distributor and stakeholder relations	1,837,676 Persons impacted by community engagements Rs.230 million Spend on CSR	85% Spend on local suppliers	• Brand visibility and reputation • Strengthened supply chain • Adherence to UN SDGs
Intellectual Capital Page 111	• Patents • Copyrights	Rs.6.3 billion Intangible assets • LMD's Most Respected Entity • LMD's Most Loved Corporate Brand • LMD Top 100 Entities • Silver award for 'Best Investor Relations' at the Capital Market Awards 2024 • Recipient of multiple accolades at the CMA Excellence in Integrated Reporting Awards 2024 • Recipient of multiple accolades at the TAGS Awards 2024 Awards and Accolades		• Evolving businesses to suit the ever changing, dynamic consumer • An entity better prepared to face disruptive business models

Stakeholder returns and engagement

- Customers
- Employees
- Community
- Institutional investors, fund managers, analysts, multilateral lenders
- Government, Government institutions and departments
- Legal and regulatory bodies
- Business partners, principals, suppliers
- Society, media, pressure groups, NGOs, environmental groups
- Industry peers and competition

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

"The Group's Financial and Manufactured Capital performance reflects its commitment to long term value creation through disciplined capital management, sustained investment in core and emerging businesses, and a strong focus on operational excellence. By leveraging its diversified asset base, the Group continues to drive financial resilience, delivering returns to shareholders while contributing to broader socio-economic progress."

		2023/24
Revenue incl. Equity Accounted Investees	Rs.354.83 billion	Rs.317.11 billion
Recurring EBITDA*	Rs.45.69 million	Rs.43.80 billion
Profit Before Tax*	Rs.14.88 billion	Rs.18.01 billion
Profit After Tax*	Rs.6.92 billion	Rs.12.13 billion
Recurring EBITDA excl. City of Dreams Sri Lanka	Rs.50.43 billion	Rs.44.86 billion
Total Assets	Rs.845.92 billion	Rs.771.19 billion
Total Debt**	Rs.210.41 billion	Rs.214.10 billion
Net Debt**	Rs.116.24 billion	Rs.127.27 billion

** Significant pre-opening, ramp-up and operating expenses associated with City of Dreams Sri Lanka impacted performance*

***Excluding lease liabilities*

These efforts have been underpinned by robust internal controls and prudent financial stewardship, enabling optimal resource allocation considering both current and futuristic opportunities, efficient utilisation and sustained profitability in a dynamic and evolving operating environment.

The discussion on Financial and Manufactured Capital comprises two parts:

(1) A performance analysis of the key focus areas under Financial and Manufactured Capital

(2) The Group's approach to managing Financial and Manufactured Capital

The following discussion provides a holistic view of the Group's key drivers and performance during the year under review. Where relevant, insight will be provided on the Group's underlying performance excluding one-off impacts, through a discussion of a recurring performance analysis, as morefully detailed in the ensuing section.

Focus Areas

Key Risks Associated with Financial and Manufactured Capital

- Macroeconomic and political environment
- Regulatory environment
- Financial exposure risks such as interest rate risk, currency/exchange risk, credit and counterparty risk, and liquidity risk
- Information technology

Refer Group Outlook and Risks

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

FINANCIAL PERFORMANCE

The macroeconomic stability underpinned by strengthened fundamentals, coupled with an improved political environment, has laid a stable foundation for sustained business growth and broader economic expansion. These favourable developments have contributed to the Group's strengthened financial performance during the year, supporting profitability, improving cash flows, and reinforcing its ability to deliver sustained value to stakeholders.

A key milestone during the year was the phased opening of the City of Dreams Sri Lanka (CODSL) integrated resort, with the Cinnamon Life hotel commencing operations in October 2024. While this project will be a significant driver of Group performance in the years to come, in the short term, the commencement of operations resulted in an impact on profitability, due to the significant pre-opening and operating expenses, as well as the recognition of depreciation and previously capitalised costs such as interest expense in the income statement. These initial impacts are short term and will ease out with revenue and profitability improving as operations scale up across the integrated resort. Since these factors have impacted the Group's underlying performance for the year, where relevant, performance has been shown excluding CODSL which entails the Cinnamon Life hotel and impacts arising from pre-opening work on the Nuwa hotel and, though not material for this year, the mall and gaming space.

Revenue excluding Equity Accounted Investees

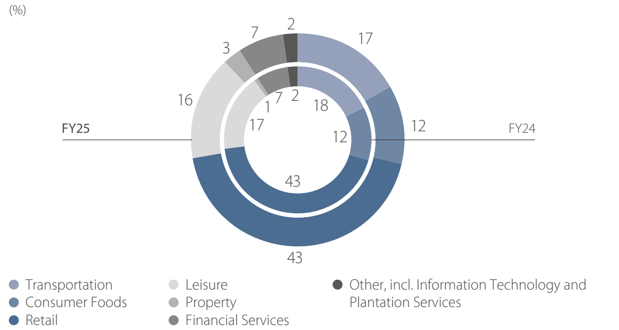
Rs.317,378 million
2023/24: Rs.280,773 million
13%

The increases in revenue primarily stemmed from the:

- Retail industry group, driven by the Supermarket business which recorded a double-digit growth in same store sales supported by increased footfall, and incremental revenue from six new outlets.
- Property industry group, owing to higher sales in residential apartments at Cinnamon Life, backed by improved macroeconomic stability and increased traction following the opening of the Cinnamon Life hotel.
- Consumer Foods industry group, mainly driven by double-digit volume growth in both the Beverages and the Confectionery businesses supported by improved consumer sentiment, seasonal sales and favourable weather conditions.
- Bunkering business which witnessed double-digit growth in volumes.

Rs.million	2024/25	2023/24	%
Transportation	54,554	51,165	7
Consumer Foods	38,669	32,897	18
Retail	138,337	122,502	13
Leisure	49,851	47,885	4
Property	8,546	1,602	434
Financial Services	21,291	18,665	14
Other, incl. Information Technology and Plantation Services	6,129	6,057	1
Group	317,378	280,773	13

Composition of Revenue excl. Equity Accounted Investees
(%)



Revenue including Equity Accounted Investees

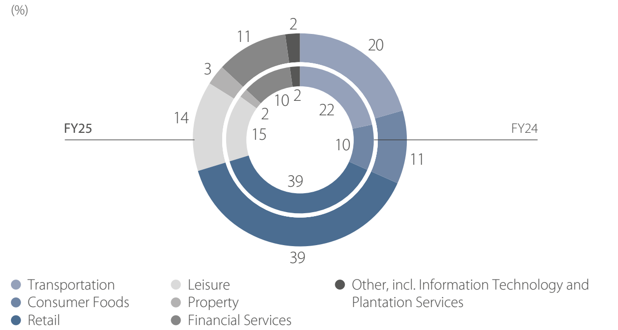
Rs.354,829 million
2023/24: Rs.317,109 million
12%

The Group's share of revenue from equity accounted investees increased by 3% to Rs.37.45 billion [2023/24: Rs.36.34 billion]. The key impacts on revenue from equity accounted investees were from:

- Nations Trust Bank (NTB), which recorded a strong growth owing to the macroeconomic recovery, rising consumer confidence and loan growth.
- South Asia Gateway Terminals (SAGT), driven by strong growth in domestic and transshipment volumes amidst continued disruptions in the Red Sea and increased global trade. This is despite the translation impact of the appreciation of the Rupee.
- TRI-ZEN residential development project, due to its revenue recognition cycle, which is based on construction progress and units sold, as detailed further in the Property industry group review. A lower number of units sold in comparison to 2023/24 also contributed to this decline.

Rs.million	2024/25	2023/24	%
Transportation	73,227	68,916	6
Consumer Foods	38,669	32,897	18
Retail	138,337	122,502	13
Leisure	50,099	48,167	4
Property	10,227	5,234	95
Financial Services	38,141	33,336	14
Other, incl. Information Technology and Plantation Services	6,129	6,057	1
Group	354,829	317,109	12

Composition of Revenue incl. Equity Accounted Investees
(%)



Refer the Industry Group Review for a detailed analysis of performance – page 145 onwards.

Revenue emanating from domestic sources during the year was Rs.227.50 billion [2023/24: Rs.196.90 billion].

Earnings Before Interest Expense, Tax, Depreciation and Amortisation (EBITDA)

Group EBITDA	Group EBITDA excl. CODSL
Rs.**45,851** million ↑ 1%	Rs.**50,594** million ↑ 9%
2023/24: Rs.45,217 million	2023/24: Rs.46,279 million

Note: EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than of equity accounted investees), to demonstrate the underlying cash operational performance of businesses.

Group EBITDA growth was driven by the Property, Retail, Consumer Foods and Financial Services industry groups, supported by improved consumer sentiment and favourable macroeconomic conditions. However, this was muted in terms of overall Group EBITDA due to declines across other industry groups, particularly Leisure due to CODSL, which carries substantial costs pertaining to the opening, ramp-up and operating of the Cinnamon Life hotel from October 2024 onwards.

Refer Recurring EBITDA for further details – page 56

Group EBITDA Reconciliation (Rs.million)	2024/25	2023/24	%
Group revenue excl. equity accounted investees	317,378	280,773	13
(-) Cost of sales	(253,847)	(225,680)	12
(+) Other operating income	4,077	4,510	(10)
(-) Selling and distribution expenses	(13,056)	(10,063)	30
(-) Administration expenses	(32,473)	(25,983)	25
(-) Other operating expenses	(7,855)	(8,188)	(4)
(+) Finance income	20,611	22,568	(9)
(+/-) Change in insurance contract liabilities	(13,246)	(10,833)	22
(+/-) Change in fair value of investment property	957	450	113
(+) Share of results of equity accounted investees	10,779	10,129	6
(+) Depreciation and amortisation	14,078	11,466	23
(-) Exchange gain*	(888)	(3,374)	(74)
	46,514	45,774	2
(-) Adjustments relating to policyholders at Union Assurance (UA) and shareholder interest**	(715)	(557)	28
Group EBITDA	45,851	45,217	1

**To the extent captured under other operating income/expense and finance income.*
*** Adjustments to arrive at EBITDA solely attributable to the shareholders of the Group.*

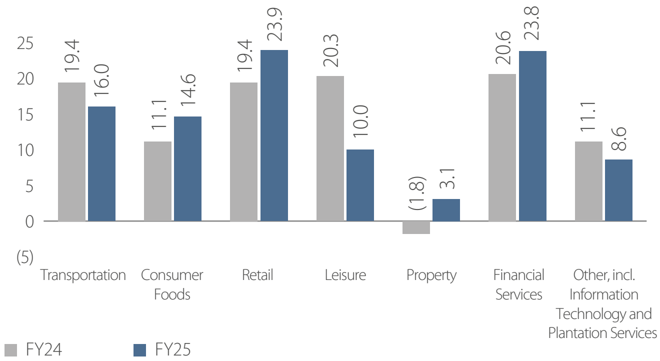
The increase in selling and distribution expenses was driven primarily by promotional expenses incurred in lieu of the opening of the Cinnamon Life hotel which commenced operations in October 2024. Higher spending on marketing and promotional activities in the Beverages and Confectionery businesses also contributed to the increase.

Administration expenses noted an increase primarily on the back of higher operating and staff-related costs, and the recording of depreciation at the Cinnamon Life hotel following the commencement of operations in October 2024. Additionally, higher overheads, staff and depreciation and amortisation costs at the Supermarket business also contributed to this increase. In arriving at EBITDA, it is noted that the depreciation and amortisation charge is reversed through a separate line item, as evident from the above table.

Movements in finance income, depreciation and amortisation, change in fair value gains/losses in investment property, among others, are explained in detail in the ensuing sections.

Composition of EBITDA
(%)

Primary contributors:
1. Retail and Financial Services (24% each)
2. Transportation (16%)
3. Consumer Foods (15%)



As Group EBITDA includes one-off impacts that are non-operational in nature, the ensuing section discusses EBITDA on a recurring basis, excluding such one-off impacts that skew the year-on-year comparison.

Group Recurring Adjustments

To depict the underlying performance of the Group during the year, the recurring performance analysis entails the following adjustments:

Adjustments (as already captured in reported results) (Rs.million)		Group	
		2024/25	2023/24
Routine adjustments:			
Impact of fair value gains/(losses) on investment property excl. the Property industry group	Note 1	162	218
Adjustments stemming from 2023/24:			
Deferred tax (DT) credit at SAGT from a change in the computation base	Note 2	N/A	1,203
One-off DT write-off in select Leisure businesses	Note 3	N/A	(408)

Routine adjustments:

Note 1 – Removal of impacts of fair value impacts on investment property (IP):

Fair value impacts on IP were recorded at a gain of Rs.957 million in 2024/25 [2023/24: gain of Rs.450 million], primarily due to gains in:

- Property - Rs.795 million
- Leisure - Rs.75 million
- Other, including Information Technology and Plantation Services - Rs.64 million

Since the assets at the Property industry group are held as a part of the Group's land banking strategy and aimed at monetisation in the medium-term, IP gains are reflective of its core operations. Hence, for the recurring performance analysis, only IP gains from industry groups other than Property have been adjusted.

On this basis, fair value gains, other than Property, stood at Rs.162 million [2023/24: Rs.218 million].

Note: No specific one-off or other adjustments have been made for 2024/25.

Other one-offs/adjustments specific for 2023/24:

Note 2 – SAGT revisited the basis of its deferred tax computation, and, accordingly, recognised a deferred tax credit amounting to Rs.1.20 billion.

Note 3 – Deferred tax assets from tax losses and capital allowances brought forward in prior years, which cannot be recouped within the stipulated regulatory timelines, mainly due to the prolonged and numerous disruptions over the last few years, were written off at some of the Group's Maldivian and Sri Lankan Resorts.

It is pertinent to note that the share of results of equity accounted investees in the Financial Statements is shown net of all related taxes. Thus, in calculating recurring EBITDA, recurring EBIT and recurring PBT, the recurring performance analysis adjusts for deferred tax provisions of equity accounted investees. This is applicable for adjustments detailed under Note 2.

Recurring Indicators

The following table presents the Group's recurring indicators to provide a clearer view of underlying operational performance. The subsequent sections provide a detailed explanation of the key movements across these metrics, including analysis of depreciation, interest expense, and other relevant factors.

Rs.million	2024/25	2023/24	%
Recurring EBITDA	45,689	43,796	4
Recurring PBT	14,720	16,593	(11)
Recurring PAT	6,763	11,115	(39)
Recurring net profit attributable to equity shareholders	5,193	10,208	(49)
Recurring EBITDA excl. CODSL	50,432	44,859	12
Recurring PBT excl. CODSL	22,926	14,362	60
Recurring PAT excl. CODSL	14,969	8,884	68
Recurring net profit attributable to equity shareholders excl. CODSL	13,345	7,999	67

Recurring EBITDA

Group EBITDA
Rs.**45,851** million
2023/24: Rs.45,217 million
1%

Group EBITDA excl. CODSL
Rs.**50,594** million
2023/24: Rs.46,279 million
9%

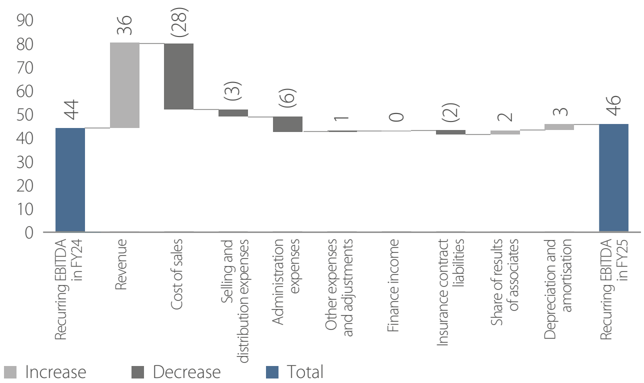
Group Recurring EBITDA
Rs.**45,689** million
2023/24: Rs.43,796 million
4%

Group Recurring EBITDA excl. CODSL
Rs.**50,432** million
2023/24: Rs.44,859 million
12%

The recurring performance analysis entails the removal of one-off impacts in order to demonstrate the performance of the core operations of the businesses.

Growth at a recurring EBITDA level was marginal, as expected, in comparison to the double-digit growth in revenue, primarily on account of CODSL, which carried substantial expenses pertaining to the pre-opening, ramp-up and operating costs related to the Cinnamon Life hotel from October 2024 onwards, which negatively impacted profitability. Group recurring EBITDA excluding CODSL stood at Rs.50.43 billion, a 12% increase against the comparative period [2023/24: Rs.44.86 billion].

Recurring EBITDA
(Rs.billion)



The recurring EBITDA breakdown for each of the industry groups is given below.

Recurring EBITDA (Rs.million)	2024/25	2023/24	%
Transportation	7,318	7,570	(3)
Consumer Foods	6,684	4,993	34
Retail	10,944	8,762	25
Leisure	4,527	9,059	(50)
CODSL	*(4,743)*	*(1,063)*	*(346)*
Leisure excl. CODSL	*9,271*	*10,122*	*(8)*
Property	1,441	(822)	275
Financial Services	10,909	9,296	17
Other, incl. Information Technology and Plantation Services	3,866	4,938	(22)
Group	45,689	43,796	4
(-) CODSL	(4,743)	(1,063)	346
Group excl. CODSL	50,432	44,859	12

The key impacts to the Group recurring EBITDA, excluding CODSL, primarily stemmed from:

- Property industry group, supported by the increased sales momentum, particularly at Cinnamon Life following the opening of the Cinnamon Life hotel and a positive EBITDA from VIMAN, against a loss recorded in the previous year, as revenue recognition commenced in Q4 of 2024/25.
- Retail industry group, aided by strong performance in the Supermarket business driven by double digit growth in same store sales and an improvement in margins on the back of various productivity and cost-efficiency measures, as well as the benefit from the downward revision of electricity tariffs compared to the previous year.
- Consumer Foods industry group, driven by higher volumes and margin improvement stemming from declining input and, to a lesser extent, electricity costs.
- Financial Services industry group, driven by the Banking business, on the back of a net gain on the disposal of international sovereign bonds, steady margins, asset growth, impairment reversals and gains on Government securities.

Refer the Industry Group Review for a detailed analysis of performance – page 145 onwards.

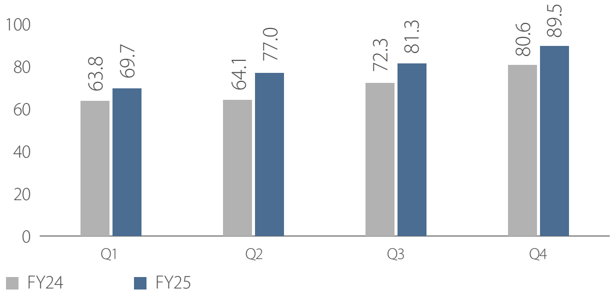
Recurring EBITDA Margins

Recurring EBITDA Margins (%)	2024/25	2023/24
Transportation	13.4	14.8
Consumer Foods	17.3	15.2
Retail	7.9	7.2
Leisure	9.1	18.9
CODSL	*(215.2)*	*N/A*
Leisure excl. CODSL	*19.4*	*21.0*
Property	16.9	(51.3)
Financial Services	51.2	49.8
Other, incl. Information Technology and Plantation Services	63.1	81.5
Group	14.4	15.6
Group excl. CODSL	15.9	16.0

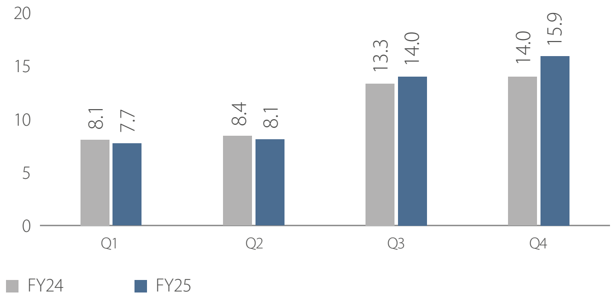
Quarterly Performance Analysis

The Group demonstrated consistent growth momentum across the quarters, underpinned by sustained macroeconomic stability and improving consumer and business confidence. While certain one-off impacts and seasonality in certain businesses affected specific quarters, the overall profitability trajectory strengthened across the quarters, reflecting broad-based recovery across core businesses.

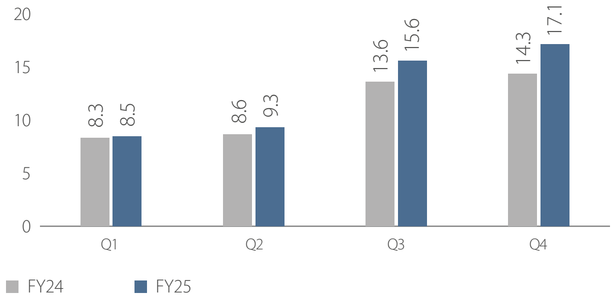
Quarterly Revenue
(Rs.billion)



Quarterly Recurring EBITDA
(Rs.billion)



Quarterly Recurring EBITDA excl. CODSL
(Rs.billion)



Refer Quarterly Performance for further details - page 57.

Depreciation and Amortisation

Depreciation and Amortisation		Depreciation and Amortisation excl. CODSL	
Rs.**14,078** million 2023/24: Rs.11,466 million	23%	Rs.**11,848** million 2023/24: Rs.11,452 million	3%

Note: Depreciation and amortisation expense also includes the amortisation of lease liabilities as per SLFRS 16 – Leases.

The key impacts to the depreciation and amortisation expenses were on account of:

- Recording of depreciation for the Cinnamon Life hotel following the commencement of operations in October 2024.
- Supermarket business, on account of an increase in assets following the opening of six new outlets, conversion of three outlets to the extended format and amortisation costs pertaining to the advanced analytics transformation programme.
- Lower translation impact on lease amortisation at the Maldivian Resorts, given its US Dollar denomination, partially offset the increase in the overall depreciation and amortisation expense.

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

Finance Income

Rs.**20,611** million
2023/24: Rs.22,568 million (9%)

The finance income composition is as follows:

Rs.million	2024/25	2023/24
Interest income from life insurance policy holder funds at UA	11,790	11,085
Interest income of Group, excluding UA	5,647	6,942
Other finance income	3,174	4,541
Total	20,611	22,568

Interest income associated with the life insurance policyholder funds at UA increased, despite lower fixed income yields, supported by asset reallocation to equities and growth in the size of the life fund. This interest income, net of related costs, is classified under operating segment results, on the basis that the interest income from life insurance funds is considered operational income.

Interest income of the Group, excluding UA, decreased primarily at the Holding Company due to lower interest rates on its US Dollar cash balances as well as the translation impact on the foreign currency denominated interest income due to the appreciation of the Rupee. It should be noted that the cash balances are held as part of a conscious strategy of maintaining a balance sheet hedge against the long term US Dollar borrowings of the Group, where the interest expenses in relation to such borrowings are reflected under finance expenses.

Other finance income declined, primarily due to a lower exchange gain of Rs.856 million recognised by Waterfront Properties (Private) Limited (WPL) on its long term loan, compared to a gain of Rs.3.00 billion in 2023/24. This was mainly attributable to the lower appreciation of the LKR compared to the previous year. The Holding Company recorded an exchange gain of Rs.20 million in contrast to the exchange loss of Rs.369 million recorded in the previous year. While the point-to-point appreciation of the currency would suggest an exchange loss given the Company's net foreign currency denominated cash holding, the repayment of a foreign currency loan instalment at a time when the Rupee had strengthened resulted in a realised exchange gain, which offset the impact of the cash holdings.

Although finance income includes exchange impacts, this has been eliminated for the purposes of computing EBITDA.

Refer Notes to the Financial Statements section for further details on finance income – Page 344

Finance Expense

Rs.**18,443** million
2023/24: Rs.19,669 million (6%)

The decrease in finance expenses was primarily driven by lower interest rates which prevailed during the year, resulting in a reduction in interest expenses across most businesses, with a marginal reduction in the Group's debt levels also contributing to the overall decline.

The key impacts to the finance expense were as follows:

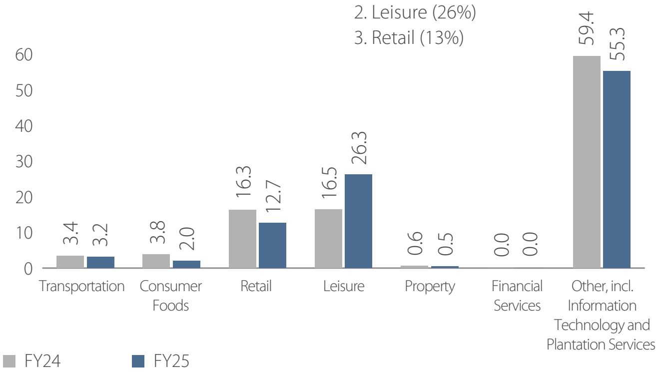
Recognition of the interest expense at WPL, which was previously capitalised into the project cost, upon the commencement of operations of the Cinnamon Life hotel from October 2024 onwards.

Holding Company interest expense declined primarily due to lower interest on convertible debentures. In 2024/25, interest was incurred on a significantly lower outstanding balance, as 53% of the debentures were converted into ordinary shares of the company in February 2024, with the remaining balance fully converted in January 2025. In contrast, interest during most of 2023/24 was charged on the total outstanding value of the issued convertible debentures. Lower domestic interest rates as well as the translation impact of the Company's US Dollar interest expenses due to the appreciation of the Rupee also contributed to this decline. It is also noted that the proceeds of the Rights Issue of shares in October 2024, were utilised to temporarily reduce the outstanding borrowings at the Holding Company until such time funds were required by WPL. In the absence of the Rights Issue, the interest expense would have been higher than currently reported.

Refer Share Information section for further details – page 135

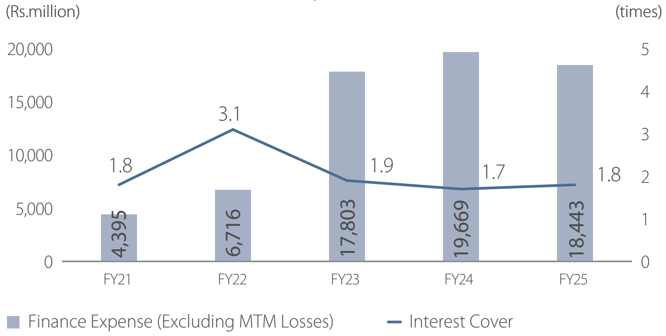
Composition of Finance Expense
(%)

Primary contributors:
1. Other, incl. Information Technology and Plantation Services (55%)
2. Leisure (26%)
3. Retail (13%)



The interest cover of the Group, excluding unrealised losses on UA's equity portfolio, stood at 1.8 times in comparison to 1.7 times in 2023/24. The marginal improvement in the interest coverage stems primarily from the 6% decrease in finance expense as compared with a 5% decrease in EBIT, as outlined in the previous section.

Finance Expense and Interest Coverage



Insights

Impact of the Conversion of Convertible Debentures Issued to HWIC Asia Fund

The Issue of Convertible Debentures

In August 2022, JKH issued 208,125,000 LKR denominated debentures ('Debentures'), with a face value of Rs.27.06 billion, to HWIC Asia Fund ('HWIC'), a subsidiary of Fairfax Financial Holdings Limited. The Debentures were issued at Rs.130 per Debenture and with the option for conversion to shares with the conversion period being from 12 February 2024 to 12 August 2025.

Partial Conversion in February 2024

In February 2024, HWIC exercised its option to convert 110,000,000 Debentures, with a face value of Rs.14.30 billion. Accordingly, JKH issued and listed 110,000,000 new ordinary shares of the Company. The remaining outstanding Debentures post this conversion amounted to 98,125,000 Debentures with a face value of Rs.12.76 billion.

Complete Conversion in January 2025

In January 2025, HWIC exercised its option to convert the remaining balance of 98,125,000 Debentures, with a face value of Rs.12.76 billion. Accordingly, 1,079,375,000 new ordinary voting shares of the Company were issued and listed, as adjusted for the Rights Issue and Sub-division of shares as approved by the shareholders at the outset.

Refer Share Information section for further details – Page 135

Accounting Impact

- Upon conversion, the portion of the outstanding liability related to the converted Debentures, along with the corresponding amount under other capital reserves, was transferred to stated capital.

Rs.million	2022/23	2023/24	2024/25
Opening balance	-	18,380	10,201
Recognition of liability	16,550	-	-
Interest charge to P&L (notional charge and cash interest)	2,239	3,833	1,799
Cash interest paid	(409)	(812)	(384)
Conversion to equity	-	(11,200)	(11,617)
Closing balance	18,830	10,201	-

- In 2024/25, interest was incurred on a significantly reduced outstanding balance, as 53% of the debentures were converted in February 2024, with the remaining balance fully converted in January 2025. In contrast, interest during most of 2023/24 was charged on the full value of the issued convertible debentures.

Profit Before Tax (PBT)

Group PBT
Rs.**14,881** million
2023/24: Rs.18,014 million (17%)

Group PBT excl. CODSL
Rs.**23,088** million
2023/24: Rs.15,783 million 46%

Group Recurring PBT
Rs.**14,720** million
2023/24: Rs.16,593 million (11%)

Group Recurring PBT excl. CODSL
Rs.**22,926** million
2023/24: Rs.14,362 million 60%

While the EBITDA performance flowed through to the PBT level, the primary impact on PBT arose from the higher depreciation charge and finance expenses (previously capitalised) due to the opening of the Cinnamon Life hotel.

Group PBT and Recurring PBT Reconciliation (Rs.million)	2024/25	2023/24	%
Group EBITDA	45,851	45,217	1
(-) Depreciation and amortisation	(14,078)	(11,466)	23
(-) Finance expenses	(18,443)	(19,669)	(6)
(+) Exchange gain*	888	3,374	(74)
(+) Adjustments relating to policyholders at UA and interest expenses**	663	557	19
Group PBT	14,881	18,014	(17)
(-) Impact of fair value gains/losses on IP excl. the Property industry group	(162)	(218)	N/A
(-) DT credit at SAGT from a change in the computation base and one-off DT write-off in select Leisure businesses		(1,203)	N/A
Group Recurring PBT	14,720	16,593	(11)
(-) CODSL	(8,207)	2,231	(468)
Group Recurring PBT excl. CODSL	22,926	14,362	60

**To the extent captured under other operating income/expense and finance income, which was eliminated from EBITDA.*

***Reversal of adjustments previously included in the calculation of Group EBITDA.*

Taxation

Rs.**7,957** million
2023/24: Rs.5,886 million 35%

Excluding the impact of losses at CODSL, as outlined earlier, the rise in tax expenses is reflective of the underlying increase in PBT excluding CODSL. This is further clarified in the ensuing section.

The Group tax expense primarily comprises of:

Rs.million	2024/25	2023/24	%
Current tax charge/income taxation*	6,701	4,652	44
Deferred tax charge	1,256	1,234	2
Group tax expense	7,957	5,886	35

Includes withholding taxes on dividends.

Noteworthy impacts on the Group tax expense:

- Current Year 2024/25
  - Higher operational performance of the Group, especially at the Supermarket, Beverages and Confectionery businesses resulted in a higher taxable base. This impact was cushioned, to an extent, by the utilisation of brought forward tax losses in certain businesses.
  - WPL, which is the holding company of CODSL and the residential and office spaces at Cinnamon Life, recorded notable losses during the year, which did not result in recording a deferred tax asset in view of the tax-exempt status of the company.
  - Withholding taxes on dividends recorded a 4% increase, primarily owing to a notable increase in dividends declared by Ceylon Cold Stores PLC.
- Comparative Year 2023/24
  - Deferred tax assets from tax losses and capital allowances brought forward in previous years, which cannot be recouped within the stipulated regulatory timelines, mainly due to the prolonged and numerous disruptions over the last few years, were written off at some of the Group's Maldivian and Sri Lankan Resorts, amounted to Rs.408 million.
  - The Group recognised an asset write-off, under other operating expenses, on account of the closure of the K-Zone Ja-Ela mall which is the site on which the VIMAN development is undertaken, therefore resulting in the existing assets becoming redundant. Resultantly, the Group recognised a deferred tax reversal amounting to Rs.239 million.

The effective tax rate (ETR) on Group profits increased to 53%, as against 33% recorded in 2023/24.

The following is noted in computing the Group ETR:

- Group PBT entails the share of profit after tax of equity accounted investees, and as such, there is no charge associated with these entities that is considered under the tax expense of the Group.
- Withholding taxes on dividends, which are withheld at source, skew the ETR of the Group as this is directly linked to the dividends declared by the subsidiaries.
- The tax-exempt status of WPL, as noted above, skews the Group's ETR.
- Given the income profile and significant finance expense base of the Holding Company, the ETR of the Holding Company remains extremely low.

The ETR of the Group, excluding the aforementioned impacts remained at 31% in 2024/25 [2023/24: 31%].

Other, including Information Technology and Plantation Services, Financial Services, Retail and Consumer Foods were the highest contributors to the Group tax expense with Rs.2.47 billion, Rs.1.51 billion, Rs.1.50 billion and Rs.1.46 billion, respectively.

Refer the Notes to the Financial Statements section for further details on tax impacts – page 346

Profit After Tax (PAT)

Group PAT
Rs.**6,924** million
2023/24: Rs.12,128 million (43%)

Group PAT excl. CODSL
Rs.**15,131** million
2023/24: Rs.9,896 million 53%

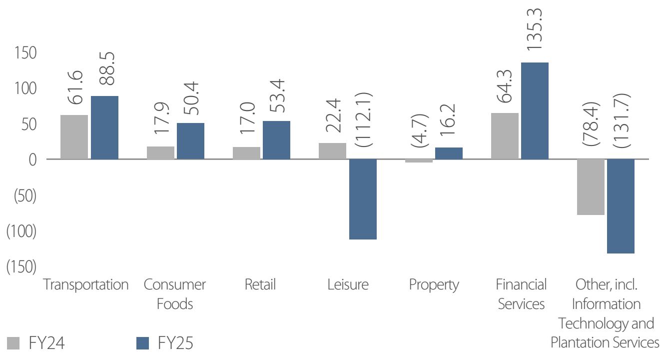
Group Recurring PAT
Rs.**6,763** million
2023/24: Rs.11,115 million (39%)

Group Recurring PAT excl. CODSL
Rs.**14,969** million
2023/24: Rs.8,884 million 68%

The movement in PAT broadly reflects the trends in PBT, though impacted by the proportionately higher tax charge due to the reasons explained above

Composition of Group Profit After Tax
(%)

Primary contributors:
1. Financial Services (135%)
2. Transportation (89%)
3. Retail (53%)



The breakdown of Group PAT, between PAT attributable to equity holders and non-controlling interest (NCI) is as follows:

Rs.million	2024/25	2023/24	%
PAT attributable to equity holders	5,326	11,248	(53)
PAT attributable to NCI	1,598	879	82
Group PAT	6,924	12,128	(43)

PAT Attributable to Non-controlling Interest

The increase in profit attributable to NCI was primarily due to improved performance across all companies within the Consumer Foods industry group and the Supermarket business, where the Group holds effective stakes of ~81% in Ceylon Cold Stores PLC, JayKay Marketing Services (Private) Limited and Colombo Ice Company Limited, and ~89% in Keells Food Products PLC.

PAT Attributable to Equity Holders of the Parent (Net Profit)

Group Net Profit
Rs.**5,326** million
2023/24: Rs.11,248 million (53%)

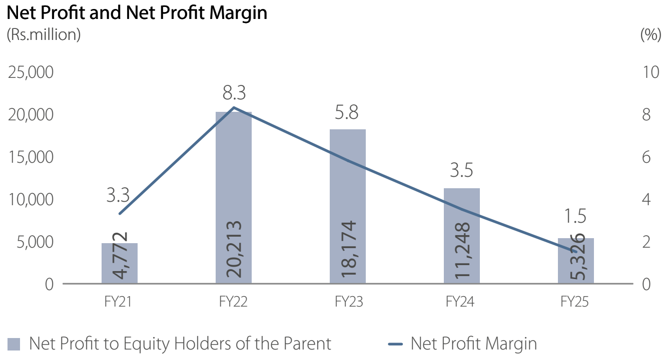
Group Net Profit excl. CODSL
Rs.**13,478** million
2023/24: Rs.9,039 million 49%

Group Recurring Net Profit
Rs.**5,193** million
2023/24: Rs.10,208 million (49%)

Group Recurring Net Profit excl. CODSL
Rs.**13,345** million
2023/24: Rs.7,999 million 67%

The net profit margin of the Group decreased to 1.5% from 3.5% in the previous year. The net profit margin, excluding CODSL stood at 4.3% [2023/24: 3.2%].

Net Profit and Net Profit Margin



Performance of the Holding Company

Rs.million	2024/25	2023/24	%
Revenue	3,180	2,916	9
Dividend income	10,697	11,503	(7)
Finance income excl. exchange gain*	4,786	5,787	(17)
Finance expenses excl. exchange loss*	(10,160)	(11,602)	(12)
Exchange gain/(loss)	20	(369)	106
Profit before tax	3,671	4,259	(14)
Recurring profit before tax	3,936	4,259	(8)
Profit after tax	3,518	4,252	(17)
Recurring profit after tax	3,783	4,252	(11)

**As per accounting standards, foreign currency gains are recognised under finance income and foreign exchange losses under finance costs. For comparison purposes, the net exchange impacts have been eliminated and presented separately.*

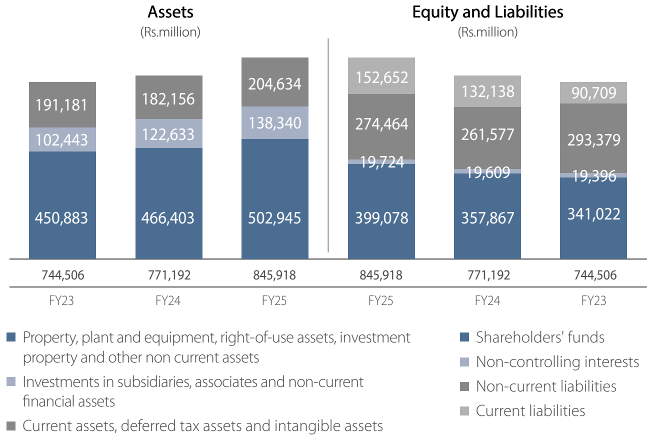
- Dividend income in 2024/25 declined primarily due to lower dividends from the Transportation businesses, reflecting the profitability impacts as discussed previously, although this was partially offset by higher dividends from the Consumer Foods and Retail businesses.
- Finance income, excluding exchange gain/loss, recorded a decrease as a result of a decrease in interest income stemming from the translation impact on the foreign currency denominated interest income and lower interest rates.
- The Holding Company's finance costs reduced, mainly due to lower interest on convertible debentures as discussed earlier.

Refer page 58

- Recurring adjustments applicable to the Holding Company
  - Investments in Mack International Freight (MIF) and Keells Realtors (Private) Limited (KRL), collectively amounting to Rs.267 million, were impaired in the fourth quarter of the year under review. The investment in MIF was written off as the business is in the process of being wound down, whilst KRL, a non-operational entity holding real estate assets, was impaired considering its limited return potential. Both impacts have a bearing only on the financials of the Holding Company, with no impact on the consolidated results.

Refer INSIGHT: Rights Issue impact on Holding Company Debt and Cash levels - page 64

FINANCIAL POSITION



Group Assets

Rs.**845,918** million
2023/24: Rs.771,192 million
10%

The increase in total group assets was primarily driven by:

- Property, plant, and equipment, mainly as a result of WPL. The value of construction-related work undertaken during the year towards the completion of CODSL contributed to an increase in the asset base. Investments, particularly in the Retail and Consumer Foods industry groups, also contributed to this increase.
- Investment in associates, arising from the equity investment towards the West Container Terminal (WCT-1) project at the Port of Colombo (POC) and the impact of the retained earnings of the Group's share of profits from NTB.
- Short term investments, primarily from UA due to increased investments in Government securities and quoted equities, and from the Holding Company owing to higher short term bank deposits.

Capital Expenditure

Group Capital Expenditure excl. CODSL

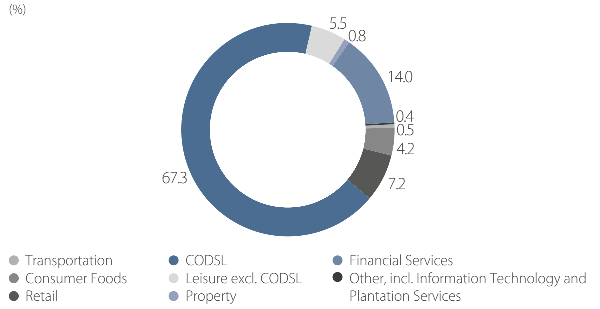
Rs.**16,307** million

2023/24: Rs.7,460 million 119%

The total Group capital expenditure amounted to Rs.49.89 billion during 2024/25, of which Rs.33.61 billion was for CODSL, funded by both operational cash flows and infusions by the Holding Company. During 2023/24, the total Group capital expenditure stood at Rs.28.97 billion, with Rs.21.51 billion relating to CODSL.

The Group has steadfastly continued with its significant investments, maintaining the depth and breadth of the Group's long term investment strategy which is now coming to fruition. The section below provides a detailed analysis of investments in PPE, as previously discussed, along with investments in intangible assets and investment property, to evaluate the Group's industry group wise investment profile. It is noted that this does not include investments in associates and joint ventures.

Industry Group Wise Capital Expenditure
(%)



The increased capital expenditure primarily stemmed from,

- Continued construction of the CODSL integrated resort, as discussed above.
- Investments in intangible assets in the Insurance Business, particularly related to the Bancassurance partnership entered into with a leading commercial bank, during Q4 of 2024/25.
- The rollout of six new supermarket outlets and the conversion of existing outlets to the extended store format.

The Group's investments in 2024/25 also included investments towards equity accounted investees and joint ventures, particularly the WCT-1 at the Port of Colombo and Kandy Myst by Cinnamon.

In addition to the routine maintenance capital expenditure, the Group will focus on the following key investments in the near term:

- Completion of the Retail mall and final aspects of the 113-key Nuwa hotel at CODSL.
- Final equity tranche in WCT-1 at the Port of Colombo.
- Rollout of Supermarket outlets.
- Strategic investments to expand impulse production of the Confectionery business to enable the development of new product innovations, reduce manufacturing costs, improve efficiency, and cater to the growing demand for impulse offerings.
- Possible extensions into adjacent confectionery categories that align with evolving consumer preferences which aims to broaden market reach while capitalising on existing manufacturing and distribution capabilities.

Other than the investments in CODSL and WCT-1, where funds, which are already raised and in place, are infused from the Holding Company, funding needs for the expansion plans of other businesses will be managed through operating cash flows and borrowings within such businesses without having any impact on the Holding Company.

LEVERAGE AND CAPITAL STRUCTURE

Total assets of Rs.**845.92** billion as at March 2025

2023/24: Rs.771.19 billion

Funding Channels

47% Shareholder funds
2023/24: 46%

2% Non-controlling interest
2023/24: 3%

33% Long term funding/ creditors
2023/24: 34%

18% Short term funding/ creditors
2023/24: 17%

Group Debt

To provide greater clarity and comparability, the Group's debt profile (comprising interest-bearing borrowings, short term borrowings, overdrafts, lease liabilities, and the liability from convertible debentures) has been presented through a structured breakdown as follows:

- Analysis of lease liabilities, outlining key movements during the year.
- Review of Group debt excluding leases.
- Movement of the convertible debenture liability.
- Analysis of Group debt excluding both leases and debentures.

Group Debt incl. Lease Liabilities

Rs.**240,443** million

2023/24: Rs.246,065 million (2%)

Lease Liabilities

Group debt includes the impact of lease liabilities recorded from the adoption of SLFRS 16 – Leases.

Rs.**30,032** million

2023/24: Rs.31,965 million (6%)

Key contributors to the decrease in lease liabilities were:

- Lease rental payments made by the Supermarket business and payment of leaseholder rents on the islands occupied by the Maldivian Resorts and due to a renegotiation and optimisation of the rental plan for the sub-lease of Cinnamon Velifushi Maldives.
- Translation impact on USD denominated right-of-use liabilities in the Maldivian Resorts segment, stemming from the appreciation of the Rupee.

Group Debt excl. Lease Liabilities

Rs.**210,411** million

2023/24: Rs.214,101 million (2%)

Group debt excl. lease liabilities (Rs.million)	2024/25	2023/24	%
Including convertible debentures	210,411	214,101	(2)
Excluding convertible debentures		203,899	3

Convertible Debentures

As outlined in the previous sections, HWIC converted 98,125,000 of its remaining debentures in January 2025. This full conversion of debentures led to a reduction in total debt of Rs.11.62 billion during the year [2023/24: Convertible debenture liability stood at Rs.10.20 billion].

Refer INSIGHT: Impact of the Conversion of Convertible Debentures issued to HWIC Asia Fund – page 59

Group Debt excluding Leases and Convertible Debentures

Rs.million	Group Debt (excl. leases and convertible debenture liability) 2024/25	2023/24	%
Transportation	8,095	6,808	19
Consumer Foods	6,280	5,238	20
Retail	12,837	14,687	(13)
Leisure	85,209	90,826	(6)
CODSL	*61,530*	*66,164*	*(7)*
Leisure excl. CODSL	*23,679*	*24,662*	*(4)*
Property	926	1,033	(10)
Financial Services	117	75	56
Other, incl. Information Technology and Plantation Services	96,948	85,232	14
Total	210,411	203,899	3

Refer Industry Group reviews for further details – page 145

Group debt, excluding leases and convertible debentures, increased during the year primarily from,

- (+) Drawdown of loan facilities at the Holding Company during the year to fund infusions to WPL and WCT-1 projects which amounted to Rs.27.21 billion and Rs.6.81 billion, respectively. The increased borrowings was settled mid-year as an interim measure utilising the proceeds from the Rights Issue, as outlined in the ensuing section.
- (+) Increased short term borrowings in the Bunkering business to manage working capital requirements.
- (−) Settlement of interest-bearing borrowings at the Supermarket business and Leisure businesses, particularly WPL helped cushion the increase.

Currency Mix of Group Debt

Where businesses have foreign currency denominated income, borrowings in foreign currency are obtained to optimise the comparatively lower cost of foreign currency debt and maintain a 'natural hedge'. This strategy has been practiced in the Leisure industry group, in particular, where foreign currency receipts are regularly monitored to proactively evaluate the borrowing capacity of the business. Currently, ~Rs.115.51 billion of overall Group debt (excluding leases) is denominated in foreign currency, which translates to ~55% of total debt [2023/24: ~64%].

Foreign currency debt of the Group primarily stems from the Leisure industry group which includes the balance USD 207 million of the term loan obtained for CODSL (final repayment in December 2026 with a significant bullet repayment at the end) and borrowings at the Maldivian Resorts. The Holding Company records the balance USD 167 million of the foreign currency term loan obtained from the International Finance Corporation (IFC) (repayments which began in December 2024, with equal instalments scheduled through till June 2030).

The Group is conscious of the impact of foreign currency volatility, and will continue to adopt prudent measures, as and when required, to manage the financial impacts arising from currency fluctuations. However, the translation risk is/will be largely hedged 'naturally' as a result of the conscious strategy of matching liabilities against foreign currency denominated assets and revenue streams, to the extent possible. The exposure at WPL will continue till such time operations ramp up at the CODSL, whereas the Group already has a 'natural hedge' in its current operations in the rest of the Leisure portfolio. Similarly, at present, there is no foreign exchange translation risk on the IFC loan since sufficient cash is retained in foreign currency to fully hedge this exposure at the Holding Company.

Group Cash and Cash Equivalents

Rs.**105,557** million

2023/24: Rs.95,449 million 11%

Group cash and cash equivalents comprises:

- Cash in hand and at bank amounting to Rs.15.15 billion.
- Short term investments amounting to Rs.90.41 billion. It is pertinent to note that short term investments include the short term portion of the life fund at UA, which amounts to Rs.7.70 billion, and the restricted regulatory fund at UA of Rs.3.38 billion.
- Customer advances on residential and commercial sales stood at Rs.307 million [2023/24: Rs.272 million].

For the purposes of computing net debt, customer advances, the life fund and the restricted regulatory fund at UA have been eliminated.

The movement in Group cash and cash equivalents primarily stem from:

- Short term investments, primarily driven by UA, due to increased investments in Government securities and quoted equities, and from the Holding Company which maintained higher short term bank deposits. As at 31 March 2025, the Holding Company held deposits of ~USD 205 million [2023/24: ~USD 189 million]. However, the reported LKR balance was affected by the translation impact.

- Cash in hand and at bank, mainly attributable to higher cash holdings within the Leisure industry group, particularly the Maldivian Resorts; the Transportation industry group, driven by the Bunkering business; and the Financial Services sector, led by UA.

In terms of the composition of the liquid assets of the Group, Other, including Information Technology and Plantation Services accounted for 62% of cash and cash equivalents, of which a majority of assets are in the Holding Company, followed by the Financial Services industry group.

Refer Industry Group Reviews for further details – page 145

Insights

Rights Issue Impact on Holding Company Debt and Cash Levels

The proceeds from the Rights Issue are earmarked to support the project funding requirements of WPL. As at 31 March 2025, ~37% of the proceeds have been utilised. Until further equity is required by WPL, the balance proceeds have been used to reduce short term revolving debt obligations and overdrafts of the Company.

Refer Share Information for further details on the Rights Issue – page 135

Quarterly Movement in Holding Company Debt and Cash levels:

Rs.million	Q4 2023/24	Q1 2024/25	Q2 2024/25	Q3 2024/25	Q4 2024/25
Debt position					
Interest-bearing loans and borrowings	62,714	61,922	80,381	85,231	87,441
Short term borrowings	13,909	32,867	15,600	3,600	4,100
Bank overdrafts	8,304	9,061	16,537	6,513	5,213
Borrowings	**84,927**	**103,850**	**112,518**	**95,344**	**96,754**
Leases	116	114	114	111	109
Convertible debenture liability	10,201	10,609	11,062	11,539*	-
Company debt	**95,244**	**114,574**	**123,694**	**106,994**	**96,863**
Company cash and cash equivalents	58,362	61,171	60,041	60,830	62,294
Company net debt	**36,883**	**53,403**	**63,654**	**46,163**	**34,569**
Key cash flow movements (cumulative)					
Investments in subsidiaries/equity accounted investees	N/A	(15,999)	(23,568)	(31,576)	(34,512)
Proceeds from Rights Issue	N/A	-	-	24,042	24,042

**At the time of conversion the liability stood at Rs.11.62 billion.*

- Holding Company debt levels which stood at Rs.95.25 billion as at 31 March 2024, peaked mid Q3 2024/25 primarily due to investments in WPL and WCT-1.
- The receipt of proceeds from the Rights Issue in Q3 2024/25, aided the Company in managing overall debt levels.

		2024/25	2023/24	
			Excl. Convertible Debentures	Incl. Convertible Debentures
Asset turnover	(times)	0.4	0.4	**
Capital employed	(Rs.million)	659,245	613,340	623,542
Debt/equity ratio*	(%)	50.2	54.0	56.7
Net debt (cash) to equity ratio*	(%)	27.8	31.0	33.7
Long term debt to total debt*	(%)	65.2	62.4	64.2
Debt/total assets*	(%)	24.9	26.4	27.8
Liabilities to tangible net worth	(times)	1.1	1.0	1.1
Debt/EBITDA*	(times)	4.6	4.5	4.7
Net debt (cash) to EBITDA ratio*	(times)	2.5	2.6	2.8

**Excludes lease liabilities.*

***No impact from the inclusion of the convertible debenture liability.*

Insights

Maturity Analysis

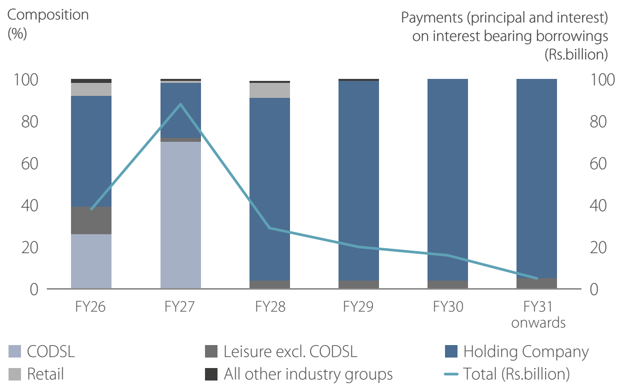
In addition to focusing on the capital structure, which entails assessing the optimal mix of debt and equity, emphasis is also placed on the dynamics of the debt structure, including the tenure, nature of facilities, and other structural considerations.

Apart from the analysis of the maturity profile of the Group's long term debt as at 31 March 2025 illustrated through the table below, the following should be noted in the context of the total debt of the Group.

- Short term borrowings stood at Rs.15.52 billion and bank overdrafts at Rs.31.10 billion, which are primarily working capital and trade finance facilities payable within 1 year. A majority of such facilities are revolving working capital facilities which are continuously repaid and re-borrowed, subject to fluctuations in operating volumes and seasonality.
- The residual portion of the Group's debt is attributable to interest-bearing loans and borrowings. The capital repayment and associated interest attributable to interest-bearing loans and borrowings is spread out across the medium to long term, thereby ensuring that operational cash flows would suffice in meeting such requirements.

(Rs.million)		Debt Service*	
Applicable time horizon (years)		Group	Company
≤ 1	2025/26	38,329	20,474
1-2	2026/27	87,965	22,485
2-3	2027/28	29,552	25,725
3-4	2028/29	20,464	19,485
4-5	2029/30	15,581	14,999
>5	2030/31 onwards	4,909	4,658
Total		196,801	107,825

Interest-bearing loans and borrowings: principal plus interest payments



The following should be noted with regard to the illustration above:

1. The USD 207 million term loan at WPL, falls due for repayment in December 2026. Based on the structuring of the loan, ~ 75% of the loan is due for repayment in the final tranche, where the strategy would be to refinance a component at that juncture depending on the levels of operational cash flows.
2. The USD 167 million outstanding on the term loan from the IFC, for which repayments commenced in December 2024, is structured with equally amortising capital repayments till June 2030.

Net Debt/(Cash)

Rs.**116,242** million*

2023/24: Rs.117,071 million (1%)

**excluding lease liabilities and convertible debenture liability*

Net debt remained largely unchanged as the impact of higher cash and cash equivalents, particularly from short term investments, was largely offset by an increase in borrowings (debt excluding leases and convertible debentures) during the year under review.

	Net debt/(cash) excl. leases		
Rs.million	2024/25	2023/24	%
Transportation	1,013	111	816
Consumer Foods	5,600	4,509	24
Retail	11,256	13,093	(14)
Leisure	78,659	85,733	(8)
CODSL	*59,228*	*64,133*	*(8)*
Leisure excl. CODSL	*19,431*	*21,600*	*(10)*
Property	(599)	(1,183)	(49)
Financial Services	(11,341)	(9,045)	25
Other, incl. Information Technology and Plantation Services*	31,653	23,854	33
Total (excl. convertible debenture liability)	116,242	117,071	(1)
Convertible debenture liability	-	10,201	(100)
Total (incl. convertible debenture liability)	116,242	127,272	(9)

**Convertible debenture liability is captured under the Other, including Information Technology and Plantation Services industry group, in the segmental analysis under the Financial Statements.*

Group Equity

Rs.**418,803** million

2023/24: Rs.377,477 million 11%

The increase in overall equity levels of the Group, primarily stemmed from:

- The Rights Issue, which raised Rs.24.04 billion through the issuances of new shares.

  Refer Share Information section for more details on the Rights Issue – page 135

- Conversion of the remaining debentures, amounting to Rs.11.62 billion, which was transferred from other current financial liabilities to stated capital. Although there was no direct impact on equity, it is worth noting that Rs.4.95 billion previously recognised under other capital reserves, was reclassified to stated capital in parallel with the transfer from other current financial liabilities.

  Refer Insights: Impact of the Conversion of Convertible Debentures Issued to HWIC Asia Fund – page 59

Group profit after tax of Rs.6.92 billion recorded during the year under review, partially offset by dividends paid of Rs.2.46 billion.

Refer Strategy,Resource Allocation and Portfolio Management for more details on the ROCE and ROE of the Group – page 129

LIQUIDITY MANAGEMENT

The Group remained steadfast in its commitment to robust cash and liquidity management practices and continued to evaluate its resilience under various stress-tested scenarios. Building upon the foundation and practices laid during the recent years, the Group prioritises the agility in the operating model, with a focused view on cash management and liquidity, even in times of stability.

Working Capital/Liquidity

Rs.million	2024/25	2023/24	%
Current assets	187,312	174,110	8
Current liabilities	152,652	132,138	16
Working capital	34,661	41,972	(17)

Current Assets: The increase in current assets is primarily driven by an increase in short term investments, as detailed under Group Assets, and an increase in trade and other receivables in line with sales.

Current Liabilities: Current liabilities recorded a 16% increase, mainly due to a rise in trade and other payables by Rs.24.14 billion and an increase in the current portion of interest-bearing loans and borrowings by Rs.3.46 billion. The significant rise in trade and other payables was largely attributed to WPL, primarily on account of amounts due to contractors/ suppliers for construction and work completed, which are within the contractual terms with the relevant parties.

Cash Flow

Cash and cash equivalents in the Statement of Cash Flows comprise cash and short term investments with a maturity of three months or less, and net of outstanding bank overdrafts. On this basis, as at 31 March 2025, cash and cash equivalents increased by Rs.1.57 billion, to Rs.11.50 billion.

- Net cash flow from operating activities reflected an inflow of Rs.41.46 billion for 2024/25, primarily on account of cash generation from operations.
- Net cash flow from investing activities reflected an outflow of Rs.68.39 billion, primarily due to purchases of PPE (stemming from CODSL and investments by the Supermarket business as outlined earlier), purchase of Government securities in the Insurance business as part of the life fund portfolio and investments in intangible assets.
- Net cash flow from financing activities was an inflow of Rs.28.49 billion, primarily on account of the proceeds from the Rights Issue and net proceeds from new long term borrowings during the year.

Rs.million		2024/25	2023/24
Current ratio	(times)	1.23	1.32
Quick ratio	(times)	0.97	1.02

MANAGEMENT APPROACH

The Group adopts a strategic and transparent approach to managing its Financial and Manufactured Capital, aimed at delivering long term sustainability and stakeholder value. Financial Capital is stewarded through fiscal discipline, sound investment, and risk management to ensure adequate funding for operations and future growth. Manufactured Capital, including physical infrastructure and assets, is continuously upgraded to enhance productivity, support sustainable operations, and respond to evolving market needs. These practices are embedded within the Group's governance and internal control frameworks and are regularly reviewed to ensure alignment with its broader sustainability and economic objectives.

Economic Performance and Tax Strategy

The Group's economic performance, sustainability, and financial capital management are of paramount importance to its shareholders, employees and other stakeholders. Its success is rooted in a triple bottom line approach; creating economic value, delivering returns to its shareholders, meeting debt obligations, payment of statutory obligations, offering employee benefits and upholding its social license to operate. Additionally, the Group stimulates the local economy through its procurement practices and social infrastructure projects that benefit local communities.

Economic value is generated through the implementation of robust control frameworks, adopting best practice and compliance with regulatory requirements. The Group ensures timely settlement of statutory payments and maintains strong governance, supported by its internal controls and risk management systems. The Group's contribution to the overall economy is monitored through economic value add.

Refer Economic Value Added (EVA) Statement – page 398

The Group fosters a performance-centric compensation culture that rewards employees for efficiency and productivity, ensuring alignment with industry standards and legal obligations in all operating regions. Periodic market checks carried out by the Group ensure that employees are remunerated in line with industry norms whilst compensation is also based on employee performance. This approach aligns the interests of employee, management, and stakeholders.

The Group also promotes fair trade by sourcing products and services from suppliers at fair prices, whilst ensuring adherence to high standards of quality and upholding business ethics. Products and services are sourced locally, to the extent possible and feasible. The Group contributes towards the positive stimulation of the Sri Lankan economy and the communities surrounding its operational sites through local sourcing, supporting the self-employed and promoting livelihoods for small scale suppliers, especially in the Consumer Foods, Retail and Leisure industry groups, which have fostered close ties with local communities.

Policies

Risk Management Policy

The policy covers the risks associated with financial, strategic, operational, information technology, governance and sustainability and ensures governance frameworks are in place to identify, manage and mitigate risks at both the Group, Company and business unit levels, as relevant.

Internal Control Policy

The policy ensures that systems safeguarding Group assets and generating management information operate effectively, with proper accounting records maintained. It also establishes a strong framework for designing, implementing, and monitoring internal controls to support compliance and strategic objectives.

Corporate Disclosures and Relations with Shareholders and Investors

This policy ensures that the Group makes timely, accurate, and comprehensive disclosures of material information - both financial and non-financial – in accordance with regulatory requirements, through annual reports, quarterly investor webinars, press releases, and corporate website updates, among others. The policy also outlines the Group's approach to shareholder relations, including annual general meetings and investor engagement.

Control and Management of Company Assets

This policy ensures all tangible and intangible assets are properly accounted for, safeguarded, and used efficiently. It outlines asset management practices including acquisition, maintenance, and disposal, while ensuring compliance and preventing misuse.

Management of Shareholder Investments

Provides a comprehensive framework for managing the Company's investments to maximise shareholder value. It incorporates ethical considerations such as environmental, social and governance (ESG) factors, protection of minority shareholders, risk management, and transparent reporting.

NATURAL CAPITAL REVIEW

"The Group's commitment to sustainability remains integral to its corporate strategy, ensuring that business growth aligns with environmental stewardship."

Carbon Footprint	162,927 MT	2023/24: 135,122 MT
Energy Used	1,060,480 GJ	2023/24: 970,257 GJ
Renewable Energy Generated	122,191 GJ	2023/24: 124,455 GJ
Energy Reduction Through Initiatives	2,250 GJ	2023/24: 1,041 GJ
Water Withdrawn	2,318 ML	2023/24: 2,244 ML
Waste Generated	10,479 MT	FY23 8,280 MT
Water Recycled	48%	2023/24: 51%
Waste Recycled	57%	2023/24: 57%
Trees Planted	4,169	
Waste Collected	855+ MT	

The Group's commitment to sustainability remains integral to its corporate strategy, ensuring that business growth aligns with environmental stewardship. During 2024/25, the Group continued to focus on responsible resource management, climate resilience, and biodiversity conservation, reinforcing its role as a leader in sustainable corporate practices.

Building upon previous milestones, this year saw further advancements in decarbonisation efforts and initiatives supporting a circular economy. This section outlines key environmental initiatives, progress in achieving sustainability targets, and future commitments that drive the Group's transition towards a more sustainable and regenerative business model.

The discussion on Natural Capital comprises of two sections:

1. An analysis of the Group's performance in key Natural Capital areas, highlighting efforts made during the year under review to enhance operational resilience against environmental risks while promoting climate-positive actions.
2. An overview of the Group's strategy for managing its environmental impact.

Key Highlights

- The Group committed to restoring degraded land by planting 130,000 native trees under the global 1T.org Pledge, by 2030.
- Through the Plasticcycle initiative, 49 metric tons of recyclable plastic waste were diverted for recycling this year, contributing to a total of 223 metric tons collected since its inception.
- 5 ocean strainers deployed to divert waste from inland waterways to prevent ocean pollution. 41 metric tons of waste collected from all strainers during 2024/25.

Industry Group-Wise Highlights

Consumer Foods

- The Gunadamin initiative by Elephant House, aimed at recovering and responsibly managing plastic waste, successfully recovered 29% of the total plastic produced in the year under review.

Leisure

- 47% reduction in single-use guests facing plastic from 2021/22 baseline year.
- Walkers Tours invested in two coaches equipped with selective catalytic reduction technology and AdBlue diesel exhaust fluid, reducing NOx emissions by up to 90%.

Retail

- Keells became the first supermarket chain in Sri Lanka to receive the Green Building Certification from the Urban Development Authority's Blue Green Sri Lanka National Green Building Certification programme, for two of its outlets.

Property

- VIMAN Ja-Ela, a sustainable residential development by John Keells Properties, integrates energy-efficient construction, rainwater harvesting, and 60% green cover to promote eco-conscious living and reduce environmental impact.

Awards and Accolades

- Keells' Say No to Food Waste project ranked among the top three in the region for 'Best Efforts in Social Responsibility', earning a merit award at the Asia Pacific Retailers Conference.
- Trinco Blu by Cinnamon was recognised as one of the 'Top 100 Best Sustainable Hotels in the World for 2024', awarded by Luxury Lifestyle Awards.
- Cinnamon Rainforest Restoration Project was awarded 'The Best Project Sustainability Award' at the Best Corporate Citizen Sustainability Awards 2024.
- Cinnamon Lodge Habarana won a Merit award at the 10th annual Presidential Environmental Awards 2024.
- Cinnamon Hotels & Resorts was awarded Winner in the Tourism Category ACCA Sustainability Reporting Awards.

The Group determines its key environmental focus areas through a comprehensive materiality assessment, informed by periodic stakeholder engagements, analysis of risks and peer benchmarking. Each industry group sets specific objectives based on the significance of these focus areas, ensuring alignment with broader sustainability priorities. Common themes emerging across multiple industry groups are then consolidated to define the Group-wide environmental priorities, enabling a cohesive and strategic approach to environmental management.

Key industry-specific indicators are benchmarked against both historical performance and globally recognised standards, with performance monitored quarterly to track progress and ensure alignment with sustainability goals.

Focus Areas

Key Risks associated with Natural Capital

- Regulatory Environment
- Environment, Health & Safety
- Reputations and Brand Image
- Climate Risk

Refer Outlook and Risks

Standards and Certifications

The Group's business units maintain a robust portfolio of environmental certifications, reflecting a strong commitment to sustainable operations and regulatory compliance. Key certifications include ISO 14001:2015 for environmental management, ISO13739:2020 for safe marine operations, ISO 50001:2018 for energy efficiency, as well as Green Building certifications under the Urban Development Authority's Blue Green Sri Lanka programme, LEED, and Travelife. These achievements underscore the Group's strategic focus on operational excellence, risk mitigation, and long term value creation through sustainability.

GREENHOUSE GAS EMISSION AND ENERGY MANAGEMENT

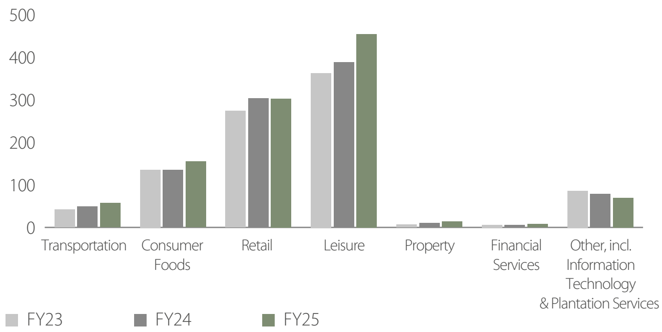
The Group is committed to responsible energy management by adopting renewable and alternative energy sources, investing in energy-efficient technologies, and enhancing operational efficiency. In energy-intensive sectors, our progress against energy reduction targets is monitored to drive long term energy efficiency and sustainability.

Group performance	2024/25	2023/24*	2022/23*
Energy consumption: non-renewable sources (GJ)	378,365	360,851	390,434
Energy consumption: renewable sources (GJ)	122,191	124,455	122,568
Purchased energy: national grid (GJ)	559,924	484,952	399,355
Total energy consumption within the organisation (GJ)	1,060,480	970,257	912,358
Total energy consumption (GJ) per Rs.million of revenue within the organisation	3.20	3.30	3.30

**2023/24 and 2022/23 have been restated*

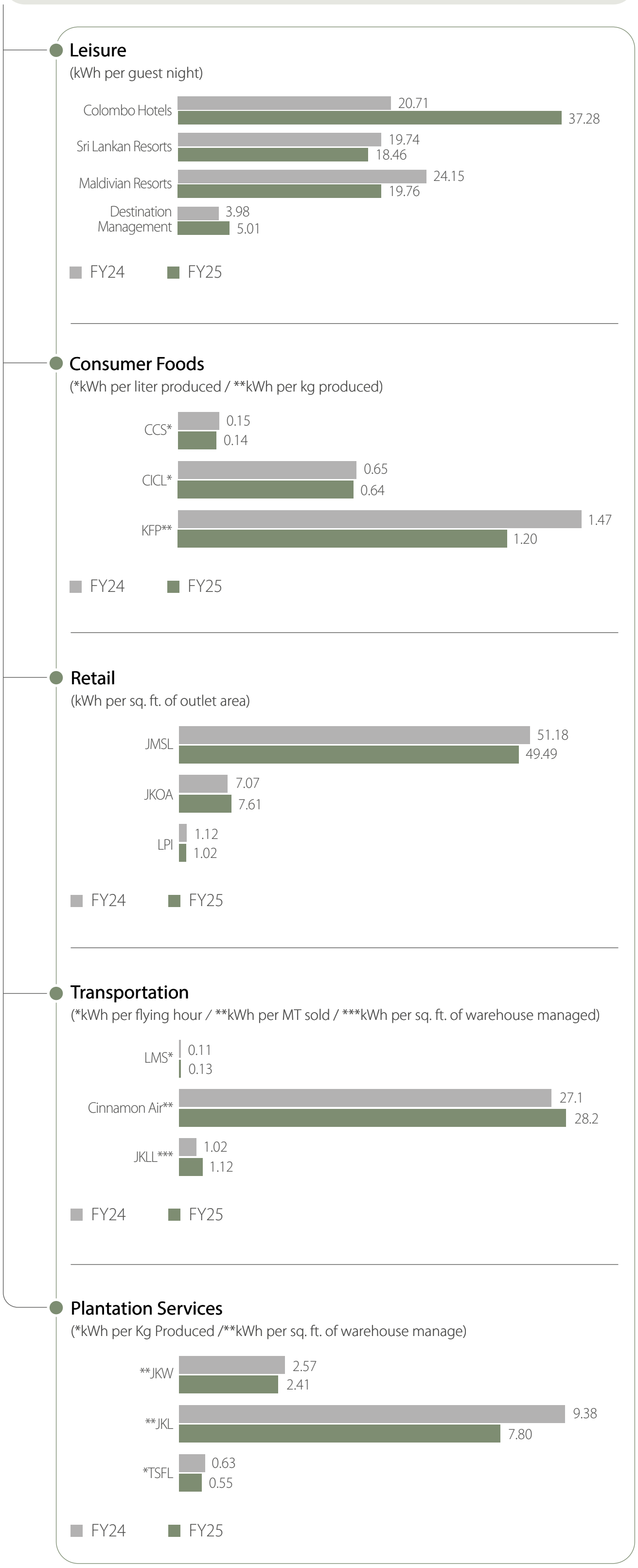
Note: Energy consumption includes Diesel/Petrol/Furnace oil, Other types of oil and LP gas as non-renewable energy sources and Solar and Biomass consumption as renewable energy sources.

Energy Consumption by Industry Group
(GJ '000)



Daily monitoring of high energy consuming equipment.

Energy consumption per operational intensity factor in applicable* industry groups



**Based on materiality, energy consumption within the Property, Financial Services and Other, including Information Technology industry groups are not material.*

Energy Efficiency

3%	2,250 GJ
decrease in energy intensity per Rs.million of revenue	of energy saved through initiatives

The Group reported a 9% increase in overall energy consumption, primarily driven by expanded operations within the Leisure industry group particularly following the launch of the Cinnamon Life hotel, and increased activity in the Consumer Foods industry group. Despite the rise in energy use, energy intensity per Rs.million of revenue decreased by 3%. This reduction can be attributed to higher revenue as well as a range of energy efficiency initiatives, including process optimisations, the procurement of energy-efficient equipment, energy optimisation programmes, and behavioural changes. During the year under review, ~2,250 gigajoules (GJ) of energy was saved through various initiatives implemented across the business units covered in this section.

2024/25 Energy Reduction Goals, Initiatives and Progress

Consumer Foods

Goal	Status	Progress
Total energy reduction per operational factor		
CCS : 1.5%	●	-6%
KFP : 1.5%	●	29%
CICL : 2%	●	4%

All goals are either on a per l/m³ per kg basis.

Steam optimisation in sausage manufacturing

By repairing steam leaks and optimising startup and cooking cycle times, the Group successfully reduced steam consumption and furnace oil usage. These efficiency improvements, lowered operational costs, minimised environmental impact, and ensured consistent product quality without compromising the cooking process.

Goal	Status	Progress
CCS: Reduction in steam by 1.5%	●	Reduction of 13%

**kg per kl basis*

Leisure

Energy optimisation through data analytics

Cinnamon Hotels & Resorts, in partnership with OCTAVE, has launched a pilot study at Cinnamon Bentota Beach to identify and assess energy-intensive areas with the aim of leveraging data analytics to optimise energy efficiency. Initial results are encouraging with an estimated energy saving of ~8% annually. Once developed and validated, this will be rolled out across all Sri Lankan resorts.

Digitised maintenance management and energy optimisation platform

Daily monitoring of high energy consuming equipment has been digitised across all hotel properties, enabling real-time tracking, proactive maintenance and energy efficiency.

Centralised kitchen operations for resource optimisation

The kitchen operations and storage facilities have been centralised at Cinnamon Grand Colombo leading to enhanced energy efficiency and resource optimisation.

Goal	Status	Progress
Reduction in energy per operational factor by -4%	●	3%

Retail

Green building certification

Marking a first in the Sri Lankan Supermarket industry, the supermarket business received the Green Building Certification for two of its outlets from the Urban Development Authority's Blue Green Sri Lanka programme, recognising sustainable site management, efficient material use, and resource conservation.

Transportation

Goal	Status	Progress
JKLL Seeduwa and Enderamulla warehouses: 10% reduction in energy consumption per operational factor	●	Reduction of 3%

Note: In arriving at the status of the indicators for the year, the absolute variation against the base year 2018/19, has been calibrated to reflect the level of activity in the baseline year, for a like with like comparison. The status disclosed above is reported independently for each year against the goal of the baseline year.

Carbon Footprint

21%	7.3%
increase in carbon footprint	increase in carbon footprint per Rs.million of revenue

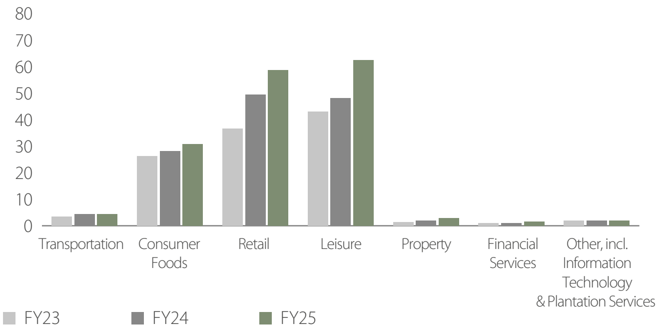
Group performance	2024/25	2023/24*	2022/23*
Direct greenhouse gas emissions - Scope 1 (MT)	62,110	47,804	41,887
Indirect greenhouse gas emissions – Scope 2 (MT)	100,817	87,318	71,906
Total carbon footprint (MT)	162,927	135,122	113,793
Total carbon footprint (MT) per Rs.million of revenue	0.49	0.46	0.41
Greenhouse gas emissions from combustion of biomass (MT)	6,150	7,153	8,050

**2023/24 and 2022/23 have been restated*

The Group's main source of carbon emissions stems from electricity supplied by the national grid, with diesel, furnace oil, liquefied petroleum gas (LPG), petrol, and jet fuel also contributing significantly. The rise in carbon emissions was driven by increased operational activities within the Leisure and Retail industry groups.

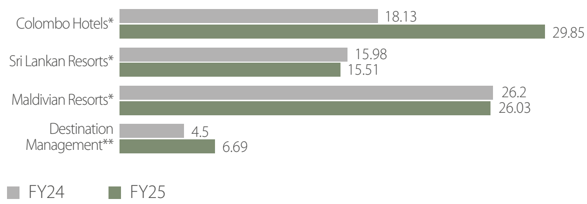
Currently, the Group measures its carbon footprint exclusively for Scope 1 and Scope 2 emissions.

Carbon Footprint by Industry Group
(CO_2 MT '000)

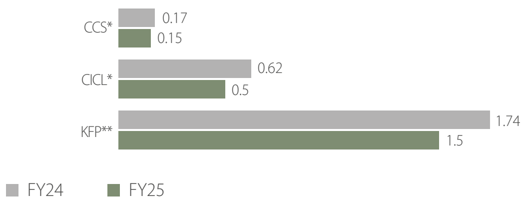


Carbon footprint scope 1 and 2 per operational intensity factor in applicable * industry group

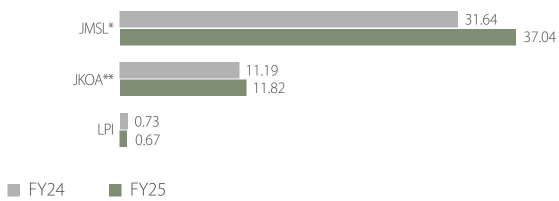
Leisure
(*CO_2 kg per guest night / **CO_2 kg per client serviced)



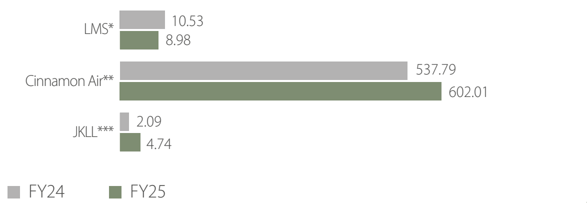
Consumer Foods
(*CO_2 kg per liter produced / **CO_2 kg per kg of processed meat produced)



Retail
(*CO_2 kg per sq. ft. outlet area / **CO_2 kg per sq. ft. of office space)



Transportation
(*CO_2 kg per MT of bunkers sold / **CO_2 kg per flight hour / ***CO_2 kg per sq. of warehouse managed)



**Based on materiality, carbon footprint within the Property, Financial Services and Other, including Information Technology and Plantation Services industry groups are not material.*

Emissions Reduction Initiatives

Consumer Foods

Goal	Status	Progress
To reduce the carbon footprint of KFP by reducing the scope 1 and scope 2 carbon emissions by **1%**	●	Increased by **8%**

Note: In arriving at the status of the indicator for the year, the absolute variation against the base year 2018/19, has been calibrated to reflect the level of activity in the baseline year, for a like with like comparison. The status disclosed above is reported independently by each year against the goal of the baseline year.

Greenhouse Gas (GHG) Emissions Verification for Cinnamon Hotels & Resorts (Scope 1,2 and 3)

Cinnamon Hotels & Resorts, in partnership with the Sri Lanka Climate Fund, measured and verified the emissions for 2023/24 in line with ISO 14064-1:2018 and the Greenhouse Gas Protocol, at all directly managed facilities in Sri Lanka and the Maldives.

Reusing cooking oil for boiler fuel

Cinnamon Grand Colombo has continued the practice of reusing cooking oil as fuel for its boilers, thereby reducing the consumption of furnace oil. This year, a total of 8,590 litres of discarded cooking oil was reused for this purpose.

Upgrading of feed water tank

A new feed water tank with glass wool insulation and cladding was installed at Cinnamon Grand Colombo, improving thermal efficiency and reducing boiler fuel consumption by ~8% per day.

New fleet initiatives by Walkers Tours toward emission reduction

Walkers Tours expanded its fleet with two advanced eco-friendly coaches featuring Selective Catalytic Reduction (SCR) technology, utilising AdBlue diesel exhaust fluid to reduce nitrogen oxide (NOx) emissions by up to 90% and enhance fuel efficiency.

Type of Fuel	Reduction* aligned to current usage	Reduction in Carbon Footprint (MT)* from Scope 1	Initiatives contributed for the reduction
Furnace oil	26,846 l	83	Feed water tank upgrade
Electricity	328,338 kWh	213	Ice bank discontinuation

**Reductions are calculated on baseline year 2023/24*

Emissions from Refrigerants and Ozone Depleting Substances

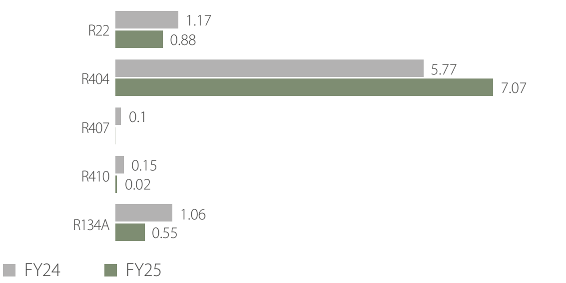
The Group regularly monitors and tracks ozone depleting substances across sectors, providing quarterly reports to business units. The rise in ozone-depleting substances was due to increased operational activities within the Leisure, Retail and Consumer Foods industry groups.

Types of Refrigerants	Emissions in CO2 equivalent (MT)	Emissions CFC-11 equivalent (MT)
R22*	2,705	0.0759
R32	19	N/A
R404	21,674	N/A
R407	57	N/A
R410	6,871	N/A
R134A	2,033	N/A
R507	1,208	N/A

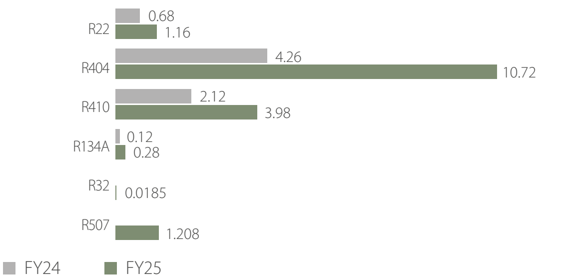
**Source of conversion for ozone depletion substance - The Vienna Convention for the Protection of the Ozone Layer by UNEP*

Emissions of ozone depleting substances by industry group*

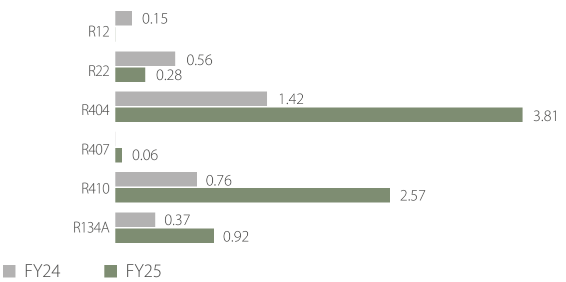
Emissions of Refrigerant usage in Consumer Foods Industry Group
(MT)



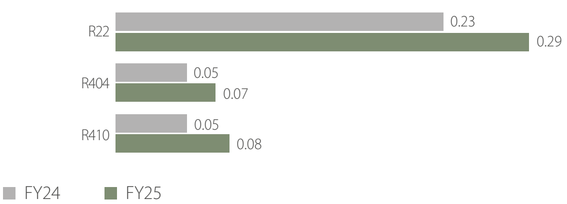
Emissions of Refrigerant usage in Retail Industry Group
(MT)



Emissions of Refrigerent usage in Leisure Industry Group
(MT)



Emissions of Refrigerant usage in Property Industry Group
(MT)



*Based on materiality emissions of ozone depleting substances within Financial Services and Other, including Information Technology and Plantation Services industry groups are not material.

"The Group has committed to achieving Net Zero in the longer term, in alignment with global standards as part of its ESG strategy."

Renewable Energy

The Group continued to seek investment opportunities in renewable energy to decrease its reliance on the national grid and fossil fuels. Renewable energy sources such as solar power and biomass continue to be utilised in businesses with energy intensive operations.

122,191 GJ of renewable energy

12% of energy generated through renewable energy sources

2024/25 Renewable Energy Goals, Initiatives and Progress

Leisure

Expanding renewable energy with floating solar panels

In addition to the solar roof expansions across all hotel properties, feasibility studies are currently underway on installing floating solar panels at the Maldivian properties to expand the usage of renewable energy and to augment the existing solar facilities in place.

Solar streetlights installation

Solar panel units were installed at Cinnamon Velifushi Maldives to power LED streetlights around the resort's perimeter, saving 92 litres of diesel fuel a month.

Retail

Goal	Status	Progress
Keells- Increase solar photovoltaic (PV) energy generation across the outlets by 125%		Increased by 161%

New fleet initiatives by Walkers Tours toward emission reduction.

Effluent treatment plant at Cinnamon Lodge Habarana.

WATER AND EFFLUENT MANAGEMENT

Water management remains a key priority for the Group, supported by ongoing monitoring and targeted initiatives aimed at optimising usage. As a critical resource across all business units, water is essential for manufacturing within the Consumer Foods industry group, operations in the Retail and Leisure industry groups, and for general employee use underscoring its organisation wide importance. The Group sources water from surface and groundwater as well as third-party suppliers, while some business units are also exploring desalination solutions to address supply challenges in water-stressed regions. Recycling initiatives are prioritised wherever feasible, and all wastewater is treated prior to discharge to minimise environmental impact. According to the Food and Agriculture Organisation (FAO), Sri Lanka is classified as a water-stressed country, with a water stress indicator of 90.8%. As such, all reported figures reflect water withdrawal and consumption from these stressed areas.

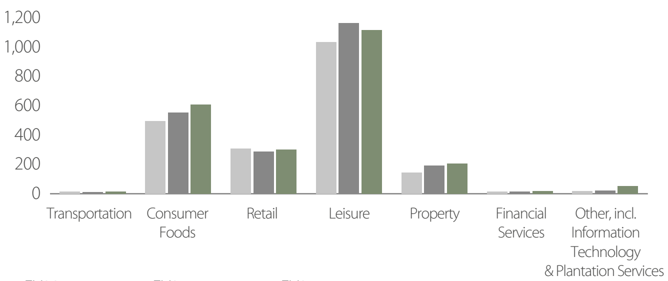
Group performance	2024/25	2023/24*	2022/23
Water withdrawal (ML)	2,318	2,244	2,032
Water withdrawal (m^3) per Rs.million of revenue	7.00	7.62	7.35
Water discharge (ML)	1,147	1,132	1,297
Water Consumption(ML)	1,169	1,112	735

2023/24 has been restated

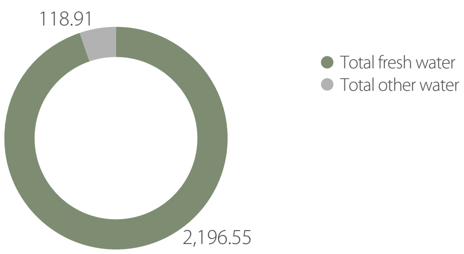
Water Withdrawal

In 2024/25 water withdrawal increased by 3%, primarily due to increased operational activities within the Consumer Foods and Retail industry groups and the commencement of operations at Cinnamon Life hotel, for the Leisure industry group.

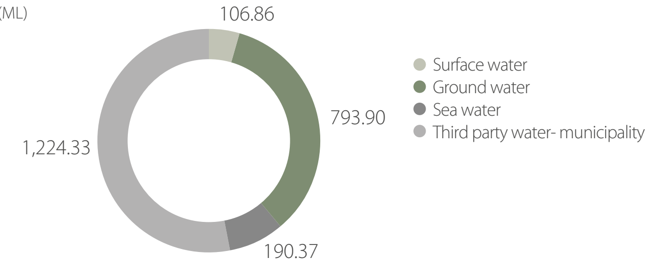
Water Withdrawn by Industry Group
(m^3 '000)



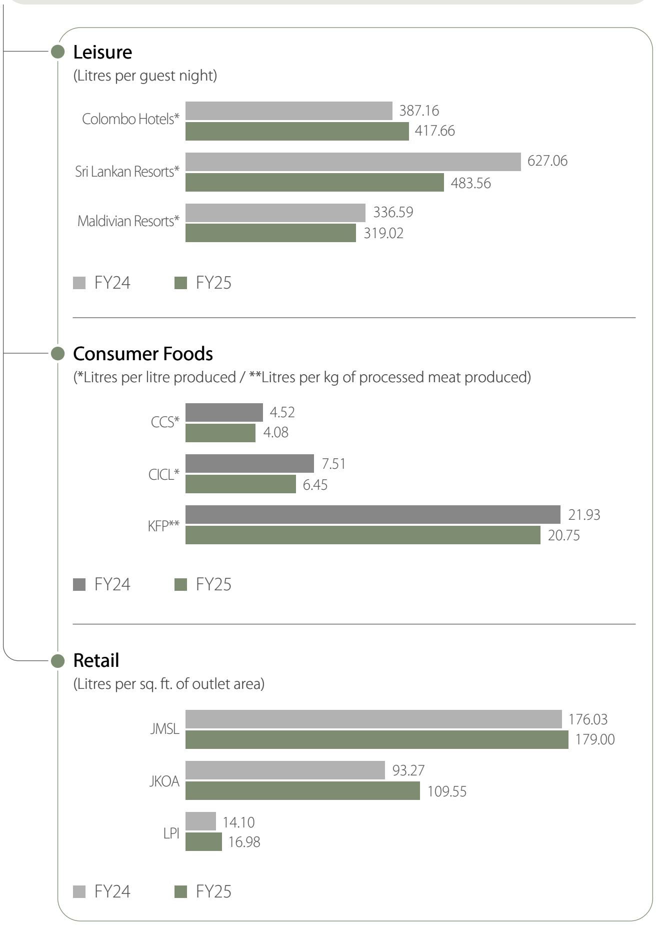
Water Withdrawal by Type
(ML)



Water Withdrawal by Source
(ML)



Water withdrawal per operational intensity factor in applicable* industry groups



Based on materiality assessments, water consumption within the Transportation, Property, Financial Services and Other, incl. Information Technology and Plantation Services are considered not material.

Water Efficiency

The Group closely monitors water consumption across all industry groups, with quarterly tracking and reporting on usage and intensity metrics for each business unit. Where applicable these metrics are benchmarked against Earth Check global standards to ensure alignment with industry best practice and the Group's sustainability goals. Committed to reducing the freshwater footprint, the Group actively seeks opportunities to reuse treated wastewater.

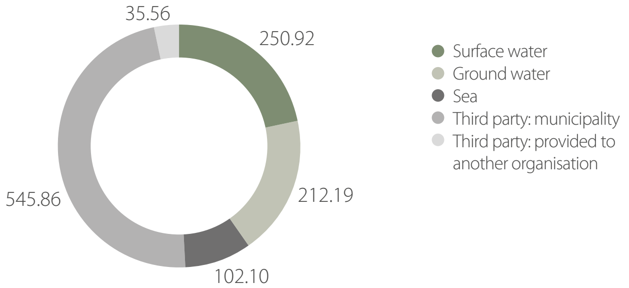
8%
Decrease in water intensity per Rs.million of revenue

48%
water recycled

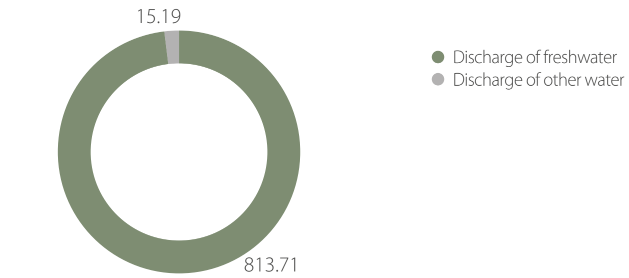
Effluent Treatment and Discharge

The Group strictly complies with regulatory standards for effluent treatment and discharge, ensuring that water released into the environment complies with the requirements set out in Environmental Protection Licenses (EPL) and Marine Environment Protection Licenses (MEPL). These standards are established by relevant environmental authorities and take into account the characteristics of the receiving waterbody, helping to safeguard both ecosystems and public health. Facilities operating within Board of Investment (BOI) zones also comply with the specific discharge requirements mandated by the BOI. During the reporting period, there were no incidents of non-compliance with any discharge limits.

Water Discharge by Method
(ML)



Water Dishcarge by Category
(ML)



2024/25 Water and Effluent Management Goals, Initiatives and Progress

Consumer Foods

Electricity and water optimisation initiative in sausage manufacturing

The sausage manufacturing process was optimised to reduce electricity usage, water consumption, and wastewater discharge, enhancing sustainability and cost efficiency.

Goal	Status	Progress
Total water consumption per operational factor		Increased by
CCS: reduction of **1.3**%	●	**-16**%
KFP: reduction of **1.5%**	●	**7**%
CICL: reduction of **2%**	●	**4**%

All goals are either on a per l/m³ or per kg basis

Note: In arriving at the status of the indicator for the year, the absolute variation against the base year 2018/19, has been calibrated to reflect the level of activity in the baseline year, for a like with like comparison. The status disclosed above is reported independently for each year against the goal of the baseline year.

Leisure

Addressing water stress and reducing emissions

Feasibility studies were conducted for the installation of saltwater reverse osmosis (RO) plants at Cinnamon Bey Beruwala and Cinnamon Wild Yala, to support local water security in water-stressed areas.

Plantation Services

Rainwater harvesting

Plantation Services implemented rainwater harvesting projects at Neluwa Tea Factory and Hingalgoda Tea Factory, each with a 13,000 litre tank capacity, to enhance sustainable water management.

WASTE MANAGEMENT AND PACKAGING

Waste management and packaging is a key focus for the Group due to its environmental and operational impact. The Group is committed to optimising waste diversion through policies, training, and monitoring systems, maximising value through recycling and reuse. Waste data is monitored and reported quarterly across all business units, detailing composition and disposal methods for benchmarking and continuous improvement. Waste is segregated at the source to ensure proper disposal through designated collectors, waste management companies, or municipal councils, fully complying with local regulations and reinforcing our commitment to sustainable practices.

4%
decrease in waste intensity per Rs.million of revenue

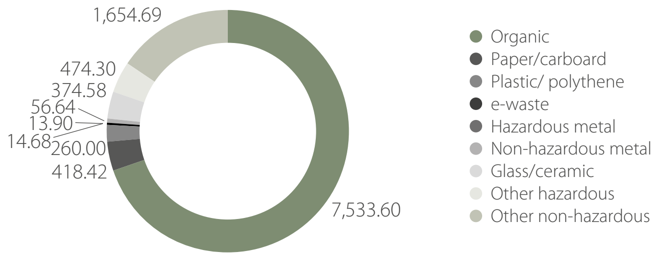
57%
of total non-hazardous waste either recycled or reused by Group companies and through third party contractors

Group performance	2024/25	2023/24*	2022/23*
Volume of hazardous waste generated (MT)	517	367	314
Volume of non-hazardous waste generated (MT)	9,963	9,314	7,993
Non-hazardous waste recycled/ reused by Group companies and through third party contractors (%)	57	57	46
Total waste generation(MT)	10,479	9,681	8,307
Total waste diverted from disposal(MT)	5,921	5,473	3,815
Total waste directed to disposal (MT)	4,558	4,209	4,492
Total hazardous waste diverted from disposal(MT)	503	366	312
Total hazardous waste directed to disposal (MT)	14	1	3
Total non-hazardous waste diverted from disposal(MT)	5,418	5,106	3,504
Total non-hazardous waste directed to disposal (MT)	4,545	4,207	4,489

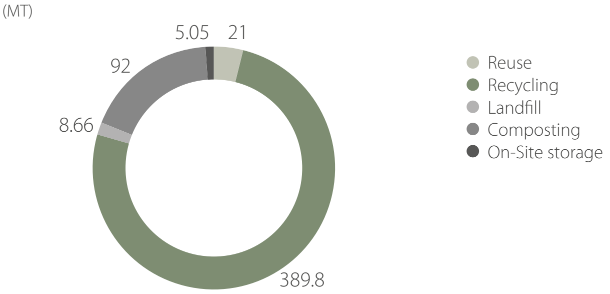
**2023/24 and 2022/23 have been restated*

Waste Generated by Industry Group
(MT '000)

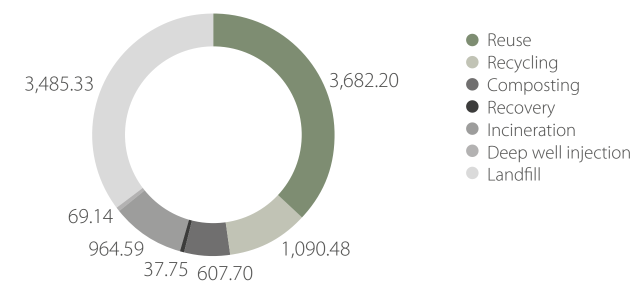
Waste by Composition
(MT)



Hazardous Waste Disposal by Method
(MT)



Non-hazardous Waste Disposal by Method
(MT)

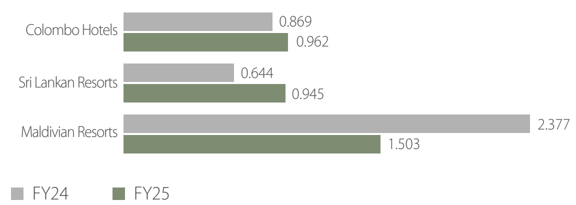


Waste Management.

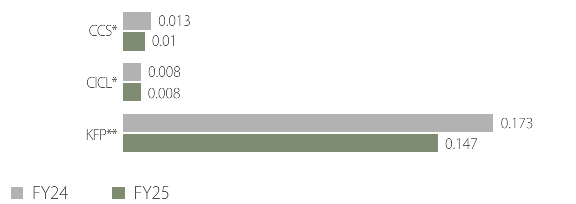
"Aligned with the ESG strategy framework, the Group is committed to minimising non-recyclable plastic in all operations and diverting waste from landfills. Ongoing initiatives focus on eliminating single-use plastics and transitioning to biodegradable packaging, with annual progress reviews ensuring continuous improvement."

Waste generated per operational intensity factor in applicable* industry groups

Leisure
(Waste generated kg per guest night)

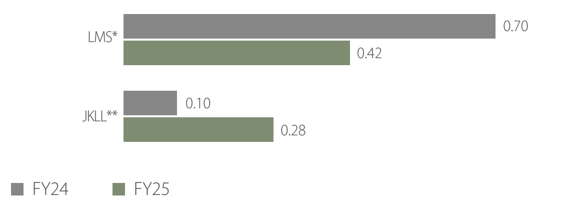


Consumer Foods
(*kg per liter produced / **kg per kg of processed meat produced)



Retail
(kg per sq. ft. of outlet area)

Transportation
(*kg per MT of bunkers sold / **kg per sq. ft. of warehouse managed)



**Based on materiality, waste generation within the Property, Financial Services and Other, including Information Technology and Plantation Services industry groups are not material.*

Reducing Waste

Plastic Waste Reduction

The Group acknowledges the environmental impact of plastic pollution and is committed to reducing single-use plastic consumption while enhancing recycling efforts. Across the Consumer Foods, Retail, and Leisure industry groups, clear goals have been established to manage plastic responsibly by seeking sustainable alternatives, minimising waste, and preventing pollution. Additionally, extended product responsibility measures have been implemented to ensure accountability throughout the product lifecycle, promoting sustainable practices.

Refer to page 78 for these initiatives

Food Waste Reduction

The Leisure and Retail industry groups focused on reducing food waste through efficient storage, handling, and strategic planning. Unavoidable waste is managed via composting, energy recovery, or repurposing as animal feed. No Bin Day and employee awareness programmes further encourage sustainable practices.

2024/25 Waste and Plastic Reduction Goals, Initiatives and Progress

Retail

Goal	Status	Progress
Reduce all single-use polythene bags at Keells stores by 50% by 2025	●	Decreased by 35%
Reduce the use of single-use* packaging for fresh food by 50% by 2025, ensuring that packaging is reusable, recyclable, or compostable.	●	Decreased by 26%

** Usage of single use packaging for fresh food by ensuring they are reusable, recyclable or compostable. In arriving at the status for the year for the indicator, the absolute variation against the base year 2018/19, has been calibrated to reflect the level of activity in the baseline year, for a like with like comparison. The status disclosed above is reported independently for each year against the goal of the baseline year.*

Keells Green Bag Initiative.

Despite the steady progress made by the Supermarket business towards reducing single-use plastic in store and in prepared food operations, including piloting alternative packaging solutions and increasing consumer awareness, ongoing operational, supplier, and infrastructure challenges are likely to result in a shortfall in achieving the 50% reduction target by 2025/26.

- The Keells Food Redistribution Project donated over 1 million kg of surplus food to charities and individuals.
- 395,418 kg of produce was sold under the Perfectly Imperfect Products initiative, with 290,558 customers supporting sustainability across 66 outlets.

Leisure

- Cinnamon Hotels & Resorts partnered with Plasticcycle to support two emerging suppliers developing eco-friendly alternatives to single-use plastics, including compostable cling wrap from seaweed, to be used in hotel operations.
- Hotels continued their efforts to replace single use plastic such as plastic water bottles and laundry bags with alternatives.

Goal	Status	Progress
Reduction in single use guest facing plastic : -50% from, 2021/22 base year.	●	Reduction by 47%

Property

Goal	Status	Progress
RHL: Reduce waste to landfill against the 2018/19 baseline: - 80%	●	Reduction by 100%

E- waste Disposal

14,685 kgs

of e-waste was responsibly disposed through a third party registered with the Central Environmental Authority of Sri Lanka.

Paper Conservation

17,319 kgs

of wastepaper disposed by the business was recycled

Impact:

294 fully grown Trees	**30,935** litres of Oil	**69,276** kwh of Electricity
550,398 litres of Water	**52** m^3 of Land fill	Reduction of Greenhouse Gas Emission by **17,319** kgs of Carbon Equivalent

Repurposing Waste

The Garage Pub at Cinnamon Hakuraa Huraa Maldives

The resort transformed an underutilised an underutilised area into the Garage Pub, a vibrant leisure space for staff, using 85% repurposed materials from the resort and nearby dump yards, diverting ~14,600 kg of waste from landfills.

Garden Waste Composting by Cinnamon Bentota Beach:

Garden waste are processed into compressed biodegradable fertiliser and is distributed to guests and local community, promoting home gardening and contributing to food security.

From Broken To Beautiful At Ellaidhoo Maldives By Cinnamon:

Unusable umbrellas were upcycled to tote bags and sold to guests. Proceeds were used to distribute aluminium bottles to students in remote areas.

Community Awareness on Responsible Waste Management

WasteWise School Initiative

Over 200 students were educated on zero waste practices through interactive sessions focusing on sustainable waste management techniques by Cinnamon Citadel Kandy in partnership with the University of Peradeniya, Sacred Heart University of Japan, and JICA.

Continuation of Zero-waste school initiative

Since 2023, Cinnamon Grand Colombo and the Eco-Friendly Volunteers Group continued the Zero-Waste School Initiative at a selected school, promoting the 10R concept. The hotel monitors waste practices and supports sustainability integration in school activities.

EXTENDED PRODUCT RESPONSIBILITY

The Group manages the entire lifecycle of its products, from production to disposal, including raw material analysis through audits to assess plastic recyclability and product recall programmes. These initiatives reflect the Group's commitment to sustainability, reducing its environmental footprint, and promoting a circular economy, through both Group led initiatives and sector-specific programmes.

1,609,549 reusable Green Bags sold by the Supermarket business

300,000 plastic bottles collected through Trash2Cash machines

VIMAN Ja-Ela: A Model for Sustainable Living

VIMAN Ja-Ela, a six-acre residential development by John Keells Properties, sets a new standard for sustainable urban living in Sri Lanka. Designed with a strong focus on environmental and social responsibility, the project aligns with material environmental and social priorities through efficient design, resource-conscious construction, and community-centric planning.

Thoughtful Design and Construction

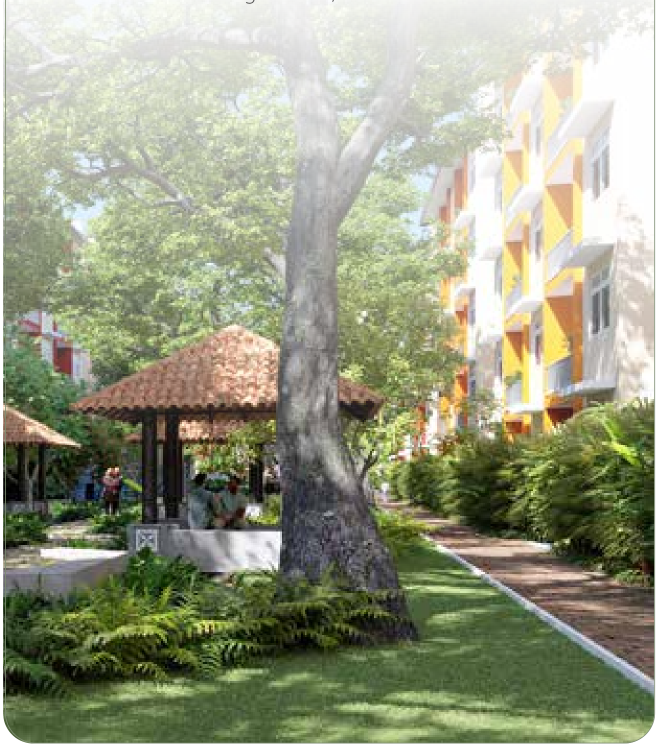
Comprising ten low-rise blocks, the design prioritises space efficiency, natural light, and ventilation, minimising energy demand while offering flexibility for future air-conditioning installations. Construction integrates green-certified materials, recycled content, and water-saving measures, including tube wells, rainwater harvesting, and an on-site sewage treatment plant. Efficient material use, dust control systems, and a robust health, safety and environmental management framework further reduce the project's environmental footprint.

Sustainable Features Across the Lifecycle

VIMAN Ja-Ela champions long term sustainability through:

- Renewable Energy: Solar systems powered common areas, lowering emissions.
- Green Cover: Over 60% open space with native landscaping improves air quality, supports biodiversity, and reduces heat island effects.
- Carbon Sequestration: A central tree park fosters a cooler microclimate and ecological balance.
- Green Mobility: EV charging infrastructure encourages clean transportation.
- Community Well-being: Open spaces and recreational areas enhance mental and physical wellness.

This development reflects John Keells Properties' ongoing commitment to building resilient, future forward communities.



Gunadamin by Elephant House

Gunadamin is a corporate social initiative by the Beverages and Confectionery businesses, focused on sustainability, waste management, community engagement, and sustainable sourcing. Launched in 2021/22, it addresses environmental and social issues such as plastic waste, carbon reduction, and ethical sourcing. The initiative empowers women through employment and education, while promoting recycling via material recovery facilities (MRF) and raising awareness on responsible waste disposal.

Key highlights

10 MRF
centres established

4
Women-led plastic collection centres

250+
families empowered

100
new bins placed in 2024/25

406
Total bins

763.17 MT
plastic collected in 2024/25 equivalent to 26,710,950 million bottles

50
awareness sessions conducted 3,540 participants

The John Keells Group GOOD WATER Initiative

The John Keells Good Water initiative aims to reduce waterway pollution from non-biodegradable waste. Phase 1 focuses on diverting waste from inland waterways to prevent ocean pollution. The next phase will involve community engagement to prevent waste from entering waterways, with plans to expand to other strategic locations.

Key highlights

5 Strainers installed. Total of 7 deployed
Uttarananda road diversion
Beira Lake east/ Laly Bridge
St. Sebastian canal.
Norris Canal diversion
Beruwala

41 MT
Total waste diverted from entering the ocean in 2024/25

43 MT
Total waste diverted from entering the ocean since inception

As part of the Group's ongoing efforts to address water pollution caused by non-biodegradable waste, focus was placed on the Beira Lake in Colombo, given its national importance and proximity to City of Dreams Sri Lanka. The Group collaborated with Government authorities to improve the water quality. Support included facilitating electricity connections for micro and nano bubble aerators donated through a Japanese-funded initiative. The Group is also working closely with a multi-stakeholder task force to develop a long term, sustainable restoration plan for Beira Lake.

"The Group actively promotes plastic recycling and recovery. Consumer engagement initiatives, including callback initiatives, facilitate the collection of used plastics for recycling. Regular audits assess the recyclability of materials in use and identify further opportunities for waste reduction. The Group will also work towards a gating process ensuring that any new product undergoes an assessment to evaluate the packaging material and where possible to introduce or work towards sustainable alternatives."

Community Cleaning Initiatives

Maha Induruwa Beach Cleanup

Sponsored by Arthur D. Little and supported by Nasser Air Travel – Xperienz Holiday, Walkers Tours, and Parley Sri Lanka, the initiative mobilised 470 volunteers to remove 682 kg of waste and promote coastal conservation.

Coastal and Marine Cleanups by Cinnamon Hotels & Resorts:

Staff and guest supported cleanups were carried out in the Maldives and Sri Lanka, removing 635kg of plastic waste, and reinforcing the brand's commitment to protecting coastal and marine ecosystems.

Plasticcycle

21
recyclable plastic waste collection bins were added expanding the bin network to 309 across the island.

49
metric tons
of recyclable plastic waste collected through bins and jumbo bag initiative (1.49 million PET bottles), contributing to 223 metric tons diverted since inception.

Featured as a case study on
World Economic Forum (WEF)
website, emphasising its role as a pioneering sustainability initiative in Sri Lanka

Plasticcycle, the Group's social entrepreneurship project continues to combat plastic pollution in Sri Lanka, through reducing single-use plastic consumption, facilitating responsible disposal via its collection network, and advancing recycling initiatives despite economic and environmental challenges. This year it emphasised cleaner oceans, innovation and 4R advocacy (Refuse, Reduce, Reuse and Recycle) among diverse stakeholder groups.

Improving collection and expanding the Plasticcycle bin network

- Increased bin network with additions in Jaffna and Nawaloka hospitals. Additionally, enhanced responsible waste disposal accessibility for remote communities, by establishing collection points in rural areas in partnership with Tea Smallholder Factories.
- Expanded the Jumbo bag initiative, providing a scalable solution for plastic waste collection and improve efficiency in waste management practices.
- Conducted multiple underwater cleanup dives in collaboration with the Pearl Protectors to remove marine litter from sensitive marine ecosystems and reefs.
- Initiated a feasibility study on sea bin technology for marine plastic waste reduction.

Awareness creation

- Hosted a panel discussion for World Environment Day 2024, organised by Cipla and the Sri Lanka College of Pulmonologists, focusing on plastic pollution and sustainable solutions, with over 100 healthcare professionals and environmental advocates in attendance.
- Conducted awareness sessions at Cinnamon Bentota Beach and Cinnamon Bey Beruwala to educate key stakeholders on sustainable practices.
- Launched a social media influencer campaign with four educational videos on plastic's health impacts, offering practical reduction tips and reaching over 53,000 views across TikTok, Facebook, and Instagram.

Innovation and research

- Engaged in strategic discussions with Stenum Asia to explore ways to reduce the plastic footprint of Keells Supermarkets.
- Conducted a feasibility study on plastic-degrading microorganisms in collaboration with Wyss Institute, exploring biological solutions for the breakdown of flexible plastic waste.

Awards and recognitions

- Plasticcycle was recognised as the 'Best Corporate Social Responsibility Website' for its effective impact driven communication, by BestWeb.lk.

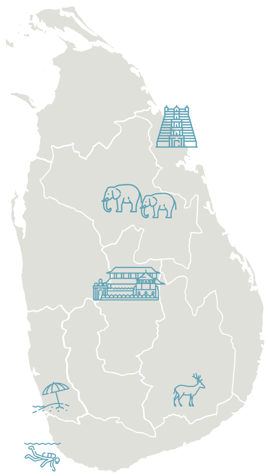
BIODIVERSITY

Biodiversity conservation is a core priority for the Group, given its strong dependence on natural resources. This commitment influences decision making across all businesses, particularly within the Leisure industry group, as it relies on thriving ecosystems to attract tourists and maintain its operations. The Group actively works to mitigate environmental impact by adopting responsible practices, ensuring that its developments and operations align with ecological preservation efforts. The Group pledges to restore habitats on a one-to-one basis if any of its activities impact biodiversity in the longer term, demonstrating its dedication to maintaining a balance between business growth and environmental responsibility whilst committing to champion high impact/ national level biodiversity projects aligned to the business and its operations.

Further supporting these efforts, the Group's CSR arm, the John Keells Foundation (JKF), drives various initiatives under its Environment focus area, reinforcing its commitment to sustainability and ecological stewardship.

The majority of the Group's operations are situated in urban, suburban, and industrial areas, where impacts on biodiversity are minimal. However, the Leisure industry group was identified as operating in closer proximity to areas rich in biodiversity, potentially posing a higher risk to these sensitive ecosystems. To address this, a comprehensive biodiversity study was conducted in collaboration with the Open University of Sri Lanka (Research team), aimed at identifying the operations within the Group's Leisure businesses in Sri Lanka and Maldives that are adjacent to protected areas or areas of high biodiversity value outside protected areas. Further, short term and long term biodiversity conservation goals have been set by Cinnamon Hotels & Resorts, including species conservation and planting 100,000 trees to increase forest cover.

Proximity to biodiversity and its features – Sri Lankan Resorts



Cinnamon Lodge Habarana

- **Name of Protected Area:** Minneriya National Park, Ritigala Strict Nature Reserve
- **Proximity to Hotel/Resort:** Within a 20km radius
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry*
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.1031

Note: All properties have obtained Environmental Protection License

Unless explicitly specified, subsurface land at site (km2) – Nil.

**Protected through the Floral and Fauna Protection Ordinance 1937)*

Habarana Village by Cinnamon

- **Name of Protected Area:** Kaudulla National Park
- **Proximity to Hotel/Resort:** Within a 22km radius
- **Biodiversity Value and the Law Applicable to Protection:** *
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.0378

Cinnamon Bey Beruwala

- **Name of Protected Area:** Hikkaduwa Marine National Park
- **Proximity to Hotel/Resort:** 45km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime*
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.045

Hikka Tranz by Cinnamon

- **Name of Protected Area:** Hikkaduwa Marine National Park
- **Proximity to Hotel/Resort:** 0.5km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime*
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):** 3,600
- **Extent of Site (km2):** 0.0176

Cinnamon Bentota Beach

- **Name of Protected Area:** Hikkaduwa Marine National Park
- **Proximity to Hotel/Resort:** 40km
- **Biodiversity Value and the Law Applicable to Protection:** *
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.0446

Cinnamon Wild Yala

- **Name of Protected Area:** Yala National Park, Bundala National Park
- **Proximity to Hotel/Resort:** Within a 32km radius
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry*
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.0405

Trinco Blu by Cinnamon

- **Name of Protected Area:** Pigeon Island Marine National Park
- **Proximity to Hotel/Resort:** 16km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime*
- **IUCN Category:** 2 (National Park)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.0405**Extent of Site (km2):** 0.1143

Cinnamon Citadel Kandy

- **Name of Protected Area:** Udawatte Kele Sanctuary
- **Proximity to Hotel/Resort:** 6km
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry*
- **IUCN Category:** 4 (Habitat/Species management Area)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.0234

Kandy Myst by Cinnamon

- **Name of Protected Area:** Udawatte Kele Sanctuary
- **Proximity to Hotel/Resort:** 4km
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry*
- **IUCN Category:** 4 (Habitat/Species management Area)
- **Subsurface Land at Site (km2):**
- **Extent of Site (km2):** 0.0234

Proximity to biodiversity and its features – Maldivian Resorts

Cinnamon Dhonveli Maldives

- **Name of Protected Area:** Thamburudhoo Thila
- **Biodiversity Value and the Law Applicable to Protection:** Marine Eco system adjacent to property
- **Subsurface Land at Site (km2):** *
- **Extent of Site (km2):** 0.1496

Ellaidhoo Maldives by Cinnamon

- **Name of Protected Area:** Orimas Thila
- **Biodiversity Value and the Law Applicable to Protection:** Marine Eco system adjacent to property
- **Subsurface Land at Site (km2):** *
- **Extent of Site (km2):** 0.0556

Cinnamon Hakuraa Huraa Maldives

- **Name of Protected Area:** Lhazikuraadhi
- **Biodiversity Value and the Law Applicable to Protection:** Marine Eco system adjacent to property
- **Subsurface Land at Site (km2):** *
- **Extent of Site (km2):** 0.0543

Unless explicitly specified, subsurface land at site (km2) – Nil.

**Protected through the Environment Protection and Preservation Act.*

Biodiversity Initiatives

Biodiversity Assessments Status

Following the initial assessment carried out in 2022/23, an in-depth assessment was conducted by Cinnamon Nature Trails, the inhouse naturalists, and a research team from the Open University of Sri Lanka to identify Red List species around the areas surrounding the operations of the Cinnamon Hotels & Resorts.

The table below presents the number of Red Listed species recorded from the resorts in Sri Lanka excluding Trinco Blu by Cinnamon.

42 Endemic	**6** Critically Endangered	**17** Endangered	**38** Vulnerable
67 Near Threatened	**499** Least Concerned	**21** Not Evaluated	

1T.org Pledge - Rooting for Tomorrow

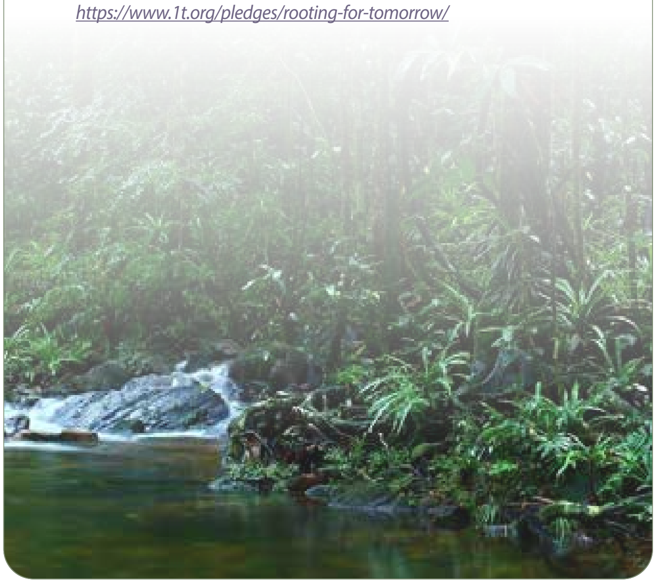
1T.org (Trillion Trees) is a global initiative dedicated to addressing the climate crisis and biodiversity collapse by mobilising the reforestation community to conserve, restore, and grow a trillion trees by CY2030. By joining the World Economic Forum's efforts and supporting the UN Decade on Ecosystem Restoration (2021-2030), 1T aims to make a lasting impact on people, biodiversity, and the planet.

The Group was the first Sri Lankan organisation to commit to the 1T Pledge, aiming to restore degraded land by planting 130,000 native trees by CY2030. This commitment includes various reforestation initiatives such as the Cinnamon Rainforest Restoration project.

29,375 | 130,000

2025 | 2030

For more details on these efforts committed to the pledge please visit:
https://www.1t.org/pledges/rooting-for-tomorrow/



Reforestation and Conservation Efforts

Cinnamon Rainforest Restoration Project

Through the continued efforts of the Cinnamon Rainforest Restoration Project, supported by strong volunteer participation, 22,259 plants spanning 104 native species have been planted since its inception in December 2021, of which 3,259 trees were planted during the year under review. Upon completion of its initial 3-year commitment to the Forest Department of Sri Lanka, it was decided to continue the monitoring of the restored land for a further 3-5 years, considering the ecological progression during the initial commitment.

A scientific assessment in June 2024 recorded:

- **85–90%** survival rate of planted trees with **pioneer species** effectively suppressing invasive growth
- **+31 species** increase in indigenous plant diversity (from 92 to 123)
- **36 new** flowering species observed
  Growth of Pini Beraliya (Doona ovalifolia) recorded
  Listed as **Extinct in the Wild** (2020 IUCN)
- Faunal diversity increase **from 189 to 251 species**
- **54 endemic** and **43 nationally threatened** species protected
- **15 local families** supported through nurseries and fieldwork
  583+ volunteers (local and international) involved in restoration

Volunteers at the Cinnamon Rainforest site at Suduwelipotha, Kalawana.

Million Tree Planting Programme in Maldives

The Cinnamon Hotels & Resorts in Maldives contributed to the Maldivian Government led initiative to plant five million trees by planting 810 trees, helping to enhance biodiversity and support the long term sustainability of the Maldives' coastal and terrestrial ecosystems.

Reforestation and Restoration Programme at the Bellanwila-Attidiya Wildlife Sanctuary

Colombo City Hotels partnered with the Young Zoologists' Association of Sri Lanka (YZA) in a long term collaboration to restore a degraded site near the Bellanwila-Attidiya Wildlife Sanctuary. As part of the initial phase, volunteers cleared invasive plant species and planted 100 native trees to help rehabilitate the ecosystem.

For more information and details of the initiatives please visit:
https://www.keells.com/investor-relations/#group-company-annual-reports

Marine Life Conservation Initiatives

Coral and Reef Restoration Programmes

Coral Cube Adaptation Programme

Ellaidhoo Maldives by Cinnamon committed to coral reef conservation through a coral cube adaptation programme addressing reef degradation in the lagoon. Artificial reef building was promoted through eco-friendly reef cubes made from cement and glass bottles that were placed in the ocean. With 280 reef cubes established, biodiversity has flourished, attracting over 50 fish species and 20 invertebrate species.

Reef Restoration Project

On World Reef Awareness Day, Cinnamon Hakuraa Huraa Maldives advanced its coral restoration efforts by planting live coral fragments on iron frames near the resort.

Coral Restoration at Beruwala

Cinnamon Bey Beruwala funded a coral restoration project led by the University of Moratuwa, integrating science, community engagement, and innovative techniques. Coral fragments are grown in controlled conditions at the ProGreen Lab using substrates like concrete blocks and select industrial by-products, thereafter transplanted to degraded reef sites in Beruwala to support regeneration and biodiversity.

Turtle Conservation

For the first time a sea turtle nested, marking a milestone in the marine conservation efforts at Ellaidhoo Maldives by Cinnamon.

Olive Ridley Project for conservation of sea turtles:
To commemorate the World Turtle Day, Cinnamon Dhonveli Maldives adopted 3 turtles from 'Olive Ridley' Project.

Hikka Tranz by Cinnamon, in collaboration with the Sri Lanka Police Life Saving Unit and the Navy Coastguard, established a turtle hatchery near the property. A total of 14,023 eggs were collected in 2024/25, resulting in the release of 9,442 turtles.

Trinco Blu by Cinnamon is actively supporting the conservation of turtle nesting sites in the surrounding areas, successfully releasing 60 turtles into their natural habitat.

Zero Fumigation Project

Ellaidhoo Maldives by Cinnamon reduces reliance on synthetic pyrethroids by targeting mosquito breeding sites, protecting vital pollinators like butterflies and honeybees. This shift preserves ecological balance while also conserving resources. By eliminating traditional fumigation, the resort saves 3,650 litres of diesel and 380 litres of petrol annually, cutting costs and reducing its carbon footprint in line with its sustainability commitments.

Awareness programmes

Snake distribution and conservation awareness programme

To mark World Wildlife Day 2025, Cinnamon Hotels & Resorts sponsored the Snake Distribution and Conservation Awareness Programme, held at the Sabaragamuwa Provincial Council Auditorium. Organised by National Hikeologic Exploring and coordinated by Ruk Rakaganno, the event educated 100 students and officials on snake identification, safe handling, and responsible release practices.

Promoting responsible tourism

In support of responsible tourism and local conservation efforts, the naturalists of Cinnamon Lodge Habarana conducted a training programme for 37 jeep drivers, enhancing their knowledge of the region's flora and fauna. Additionally, in collaboration with the Tourism Development Board, an awareness programme was held for 42 villagers in Habarana, emphasising the importance of preserving local ecosystems.

Engaging guests in marine conservation

A marine biodiversity Unit was established to educate guests on marine ecosystems through daily marine biologists talk on topics like coral biology, sea turtle conservation, and ocean plastic. The unit also offers snorkelling tours, artificial reef visits, reef cleanups, and marine life ID guidebooks for hands-on learning and engagement.

Nature Field Centre, Rumassala

Through the ongoing 17-year partnership between the Central Environment Authority (CEA) and JKF, the Group continued to facilitate conservation and promotion of the rich biodiversity of Rumassala mountain in Galle and facilitate experiential learning for school children and others. During the year in review the Centre attracted 780 school children and other visitors and facilitated 22 programmes. Moreover, JKF also developed an awareness video aimed at enhancing the sustainability of the Centre's operations, which was handed over to the CEA for dissemination.

MANAGEMENT APPROACH

The Group is committed to the responsible management of its Natural Capital, integrating sustainable business practices across its diverse business sectors. To minimise environmental impact and ensure long term sustainability, the Group has established comprehensive policies and procedures that guide its environmental stewardship efforts.

Operating across various industries, the Group adheres to all relevant environmental laws and regulations. Key entities set specific goals based on external benchmarking, with progress monitored and reported internally. Overarching sustainability objectives are defined at the Group level and then cascaded to individual industry groups based on materiality, ensuring alignment with the Group's long term vision.

In 2024/25, the Group further refined its Natural Capital management approach, prioritising key focus areas that align with its sustainability commitments and evolving stakeholder expectations. Through continuous improvement and strategic investments, the Group remains steadfast in its commitment to fostering a sustainable and resilient future.

Environmental performance is systematically monitored on a quarterly basis through the collection and analysis of key environmental indicators.

Data is collected, processed and compiled into quarterly reports and dashboards via a dedicated digital platform. These insights are then subsequently shared with the highest governance bodies at both the Group and sector levels to facilitate informed decision making and initiation of necessary actions.

Each sector utilises these insights during quarterly management committee meetings to review the environmental performance, assessing progress against historical data and industry benchmarks. These reviews enable identification of improvement opportunities and implementation of targeted initiatives aimed at improving sustainability performance.

Resource allocation for industry-specific sustainability initiatives is determined at the sector level, with financial and human capital investments prioritised based on strategic impact and feasibility.

Through horizon scanning and periodic external reviews, the Group remains dedicated to continuously refining and enhancing its environmental policies and management approach, ensuring alignment with evolving best practice and the pursuit of sustainable business operations.

As part of a recent study aimed at enhancing the Group's Environmental, Social, and Governance (ESG) framework, all existing policies including those related to Natural Capital were reviewed. This process was carried out aiming to strengthen the Group's sustainability policies, introduce new guidelines, and refine position statements to ensure further alignment with its strategic objectives. As part of this initiative, an ESG policy was introduced, along with a Climate Change Mitigation Policy, which is currently under review. To ensure process consistency and data accuracy, the Group has established Sustainability Standard Operating Procedures (SOPs) which guide business units in data capturing, recording and reporting effectively, with rigorous internal and external audits conducted annually to verify accuracy and compliance.

The Group has developed standardised protocols for measuring environmental data. Energy and fossil fuel consumption are closely monitored through metered systems, which undergo regular calibration to ensure accuracy. Water withdrawal is tracked using divisional and inlet water meters, while wastewater outflow is measured through meter readings and estimated calculations based on pump time. Waste management data is primarily obtained through weigh-ins at the point of transfer to third-party handlers, with conservative estimations applied when precise measurements are unavailable. Carbon emissions are calculated in accordance with the Greenhouse Gas (GHG) Protocol, as established by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The Group applies the Intergovernmental Panel on Climate Change (IPCC) emission factor guidelines, published by the Institute for Global Environmental Strategies (IGES), to assess CO_2 emissions. Since 2009/10, emissions have been benchmarked against revenue to track progress. All business units falling within the Group's sustainability reporting boundary are included in the carbon footprint assessment. The Group strongly emphasises environmental responsibility across its value chain, expecting supply chain partners to uphold similar standards. Business units are encouraged to identify key suppliers and assess them based on critical environmental impact areas. This commitment is reinforced through the Supplier Code of Conduct which promotes responsible sourcing and sustainable operations.

For more details on supply chain sustainability, refer to the Social and Relationship Capital section on page 101.

Greenhouse Gas Emissions and Energy Management

The Group policy mandates that all business units proactively minimise their environmental footprint stemming from energy consumption. This includes adopting energy conservation practices through lean energy management and investing in energy-efficient alternatives. Businesses are also encouraged to explore the feasibility of incorporating renewable energy sources where possible.

The Group is committed to monitoring and managing its carbon footprint by closely monitoring both direct and indirect energy usage. Each sector closely monitors its total energy consumption and carbon emissions, evaluating them against operational factors to assess energy efficiency and carbon footprint intensity.

Industry Group/ Sector	Operational Factor
Leisure – Hotel Operations	Per Guest Night
Consumer Foods	Per Litre/Kg Produced
Retail/Property/Financial Services/IT/ Transportation -warehousing	Per Sq.ft
Plantation	Per Sq.ft / Per Kg
Transportation – Aviation	Per Flying hours

The Group has committed to achieving Net Zero in the longer term, in alignment with global standards as part of its ESG strategy. The steering committee appointed is developing the roadmap for reaching this target and further refine sector-specific commitments to ensure alignment with this goal.

Water and Effluent Management

Water and wastewater management is critical to the economy, environment, and human rights. The Group recognises the potential negative impacts of its operations, such as wastewater discharge, water pollution, and depletion of water from extraction activities. To mitigate these risks, the Group focuses on water conservation and actively supports community water related initiatives.

In line with its sustainability objectives, the Group's policy mandates that all business units optimise their water use from surface and groundwater sources. Efforts to reduce reliance on blue water include reusing treated wastewater for non-potable purposes like gardening and toilet flushing, and where feasible, replenishing the groundwater table. Furthermore, wastewater discharge must meet or exceed regulatory quality standards.

Similar to energy management, the Group tracks total water consumption and its efficiency per unit of product or service, benchmarking against international industry standards. This approach ensures alignment with best practice and drives continued improvement in operational sustainability.

The Group is committed to reducing the water usage and setting targets to track it against revenue generated, with a long term goal of achieving water neutrality and water positivity.

These targets will be cascaded across industry groups, particularly those with the highest water consumption, driving efforts to enhance water efficiency, reduce usage, and promote conservation initiatives by the steering committee appointed to drive this ambition for the Group.

Waste Management

The Group's employs a two faceted waste management strategy:

1. Management of waste generated via internal operations.
2. Management and reduction of waste generated via products or services sold.

The Group recognises that waste management is a critical environmental challenge, with waste generated both through internal operations and the products and services offered, particularly in the Consumer Foods, Retail, and Leisure industry groups. A key concern is the use of non-biodegradable and non-recyclable materials, such as single-use plastics, which contribute to environmental degradation and landfill accumulation.

Aligned with the ESG strategy framework, the Group is committed to minimising non-recyclable plastic in all operations and diverting waste from landfills. Ongoing initiatives focus on eliminating single-use plastics and transitioning to biodegradable packaging, with annual progress reviews ensuring continuous improvement.

In the Beverages business, where PET plastic is widely used, the Group actively promotes plastic recycling and recovery. Consumer engagement initiatives, including callback initiatives, facilitate the collection of used plastics for recycling. Regular audits assess the recyclability of materials in use and identify further opportunities for waste reduction. The Group will also work towards a gating process ensuring that any new product undergoes an assessment to evaluate the packaging material and where possible to introduce or work towards sustainable alternatives.

By continuously evaluating purchasing decisions, operational processes, and waste management systems, the Group reinforces its commitment to long term sustainability.

Looking ahead, the Group has set ambitious sustainability goals, including achieving zero waste to landfill waste diversion strategies. It also aims for plastic positivity through interim goals of reducing internal plastic consumption, transitioning to recyclable plastic and investing in recycling efforts.

Biodiversity

Sri Lanka is globally recognised for its rich biodiversity, and the Group is committed to safeguarding the country's natural resources. Recognising the ecological and economic value of biodiversity, the Group actively works to protect flora and fauna in the regions where it operates.
The conservation of the environment is indisputably linked to the performance of the Group's key operating sectors, particularly the Leisure industry group, thus striving to protect the unique value proposition of the island's natural beauty.

Key Policies

Group Environmental Policy

The Group is committed to promoting sound environmental practices through the establishment of policies and practices that enable the Group to conduct operations in a sustainable and environmentally sound manner. Businesses shall strive to continuously identify all potential impacts on the environment and manage such impacts whilst using resources in a sustainably and efficient manner.

Group Energy Management Policy

Minimising energy-related environmental impact and enhancing the Group's competitiveness through energy costs savings by embracing lean energy management practices.

Group Water Management Policy

The Group's water policy seeks to conserve and optimise its water usage and wherever possible, shall seek to re-use wastewater after treatment in its operations with a view to reducing the intake of fresh water.

Group Waste Management Policy

This Policy is based upon the tenets of Reduce, Reuse, Recycle and encourages employees to be conscious in consumption, and reuse and recycle wherever possible.

Group Hazardous Waste Policy

Hazardous waste, generated from various commercial, industrial, and institutional sources, poses significant environmental and health risks. The Group aims to responsibly manage and mitigate these risks through proper waste management practices within the organisation.

Group Biodiversity Conservation Policy

The Group shall seek to conserve, and where possible, enhance biodiversity of the locality through the adherence of local and Governmental laws and the implementation of best practice relating to conservation and protection of biodiversity in areas where operations of the Group are carried out.

The Group understands and acknowledges its responsibility in conserving and protecting the biodiversity of the areas it conducts operations, not only for the purpose of ensuring sustainable business, but to take care of the planet and preserve its diversity, beauty, resources and strength for future generations.

HUMAN CAPITAL REVIEW

"The Group remains committed to optimising human potential through a robust human capital strategy, leveraging comprehensive policies that govern all aspects of human resource management."

Employees within the 7 Industry Groups	
18,342 FY24 - 15,314	
Permanent Employees	**Employees on Fixed Term Contracts**
9,103	9,239
FY24 - 8,815	FY24 - 6,499
Local : Overseas Employee Ratio	**Male : Female Ratio**
96 : 4	66 : 34
FY24 - 96 : 4	FY24 - 67 : 33

Human Capital is the driving force behind the Group's performance, resilience and long term growth. The Group remains committed to fostering an empowering workplace culture that enables the realisation of human potential through a robust strategic framework governing all aspects of the employee experience.

The Group has adopted a holistic approach towards the employee life cycle where purposeful investments are made in attracting, developing, retaining and empowering employees, ensuring that a skilled, motivated and future-ready workforce is available for the long term sustainability of the Group's operations.

The discussion on Human Capital comprises two parts:

1. Analysis of the main focus areas of the Group's Human Capital during the year under review.
2. The Group's approach to managing Human Capital.

The Group Human Resource Division plays a strategic role in the Group's management of human capital, enabling the achievement of business objectives through a progressive approach. This involves shaping strategy, crafting policies aligned with the Group's goals and legal requirements, and offering expert guidance on all facets of human capital management.

Standards and Certifications

As part of its commitment to a safe, inclusive, and sustainable workplace, the Group complies with global standards such as ISO 45001:2018 applying proactive health & safety practices wherever applicable. The Group is also committed to meeting (and wherever practical exceeding) the standards laid down by the laws of the respective countries in which it operates.

Key Highlights

Talent Acquisition *

- The 17th batch of the Group Management Trainees successfully completed their programme tenure and transitioned into permanent roles, whilst the 18th batch was onboarded.
- A globally recognised psychometric assessment aligned with Group's competency framework, Success Drivers was added to the selection process for hires above the Assistant Vice President level.

Compensation and Benefits*

- The Temporary Crisis Allowance, introduced in January 2023 to support employees during challenging macroeconomic conditions, was continued.

Learning and Development*

- A series of awareness sessions for the executive and above cadre on 'Success Drivers', which replaced the 'JKH Roof Competencies', was held throughout the year.

Employee Engagement and Well-being*

- Employer supported therapy sessions were continued in partnership with Child, Adolescent and Family Services (CAFS).
- A series of mental health awareness sessions were conducted to support employee well-being.

Health & Safety*

- The Group continued to implement a series of health & safety awareness initiatives and interventions, reinforcing its unwavering commitment to maintaining a safe and secure working environment for all employees, contractors, and visitors engaged in business activities with the Group.

Diversity, Equity and Inclusion*

- Formally recognised Domestic Partnerships with respect to extending identified benefits and entitlements. This enables partners and children from the domestic partnership to have access to existing company benefits and applies to both different-sex and same-sex domestic partnerships.

**These areas are governed by Group-wide policies and processes. Therefore, initiatives apply across all industry groups. Sector specific key initiatives carried out during the reporting period by the respective industry groups are stated under the ensuing sections, wherever applicable.*

Key Risks Associated with Human Capital

- Global competition for key skills resulting in increased migration to other economies.
- Regulatory environment.
- Changes in demographics (e.g. aging populations).
- Economic environment resulting in rising cost to company (e.g. employee benefits and pension costs).

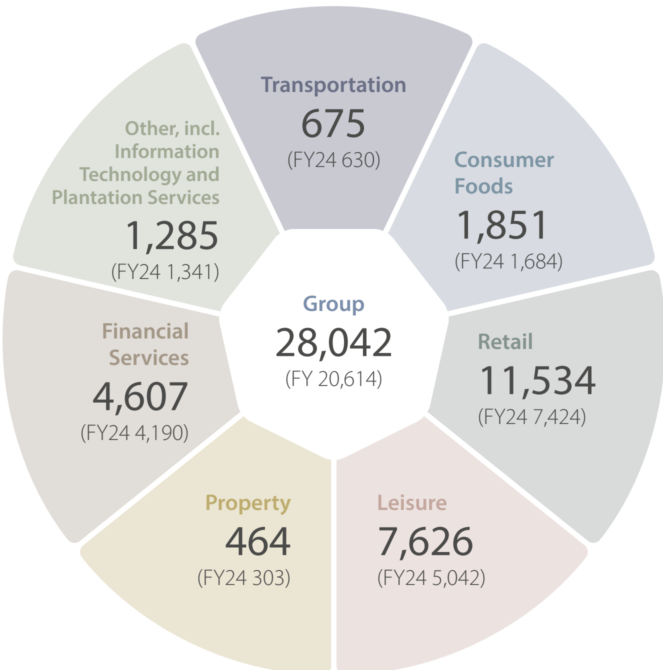
Refer Outlooks and Risks

The Group places strong emphasis on the following focus areas outlined in its HR framework, which serve as enablers for sustainable value creation for the Group and long term growth for its employees across all levels.

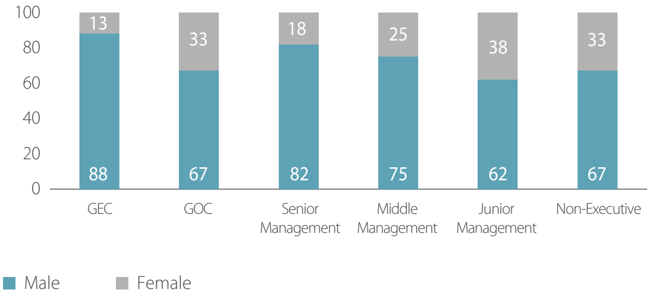
Focus Areas

Workforce Composition

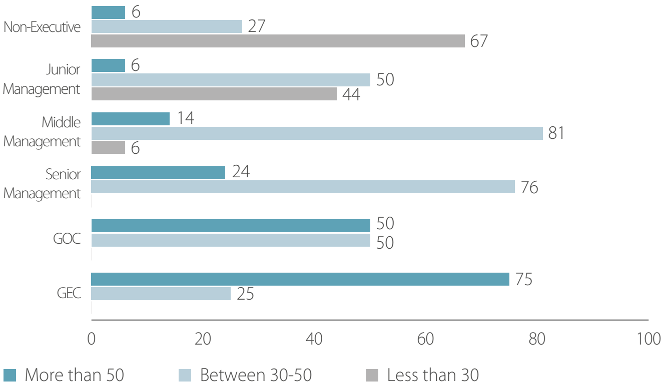
During 2024/25, the Group experienced significant workforce expansion, driven by business growth and expansions. The commencement of operations at the Cinnamon Life hotel at City of Dreams Sri Lanka, Kandy Myst by Cinnamon, and the New Energy Vehicles business, alongside the expansion of the Supermarket business were the primary contributors to the notable increase in the headcount compared to 2023/24.



Workforce Composition by Job Level and by Gender
(%)



Workforce Composition by Job Level and by Age Group
(%)



- *Categorisation of job levels is as follows:*
  Senior Management: *Assistant Vice President to Senior Vice President.*
  Middle Management: *Managers and Senior Managers.*
  Junior Management: *Executive to Assistant Manager.*
- *The Group employs full-time employees as the general practice and employs less than 1% of its workforce on a part-time basis.*
- *All workforce data is reported using a precise headcount methodology, capturing the number of employees at the end of the reporting period through the Group's Human Resources Information Management System.*
- *The Group classifies those employed at business units within Sri Lanka as local employees, and those working outside Sri Lanka as overseas employees.*
- *95% of the senior management is hired from the local community ('local community' is defined by the Group as Sri Lanka).*

The Group engages a total of 9,700 contractor personnel through third-party service providers, with the highest contribution from sales agency workers in the Insurance business.

3,698 Agency workers	**2,253** Apprentices	**1,125** Contractors
1,117 Security personnel	**844** Janitors	**663** Others

Compensation for non-employee workers is established through formal agreements with third-party service providers. These agreements are structured to ensure compliance with the country's laws and regulations, including adherence to legally mandated minimum wage standards.

TALENT ACQUISITION

The Group practices a multi-pronged approach to talent acquisition and employer branding via flagship programmes such as the John Keells Group Management Trainee Programme, FastTrack Summer Internship Programme, and ongoing state and private university engagements. These initiatives are complemented by robust communications through the 'Life at JKH' social media channels, reinforcing the Group's position as an employer of choice.

Key initiatives during the year:

- Under the Group's 18th Management Trainee intake, 6 management trainees were selected from a pool of 384 applicants through a rigorous multi-stage evaluation process. The 17th batch, which commenced their training in 2023/24, successfully completed the programme and transitioned into permanent roles during 2024/25.
- The FastTrack Summer Internship Programme in collaboration with Brandix Lanka (Private) Limited, and Sysco LABS Technologies (Private) Limited, was offered to 14 students for a period of four weeks. The programme, which has structured stints at all three entities, served as a valuable platform for professional development, enabling the interns to gain first-hand insights into diverse corporate cultures and business functions across leading organisations.
- Globally recognised psychometric assessments, aligned with the Group's Success Drivers, were incorporated to the selection process for hires above the level of Assistant Vice President.

Group Induction

The Group Induction Programme (GIP) was held on a quarterly basis during the year under review. The GIP aims to enable faster integration and increase productivity by familiarising new recruits with Group culture and policies. The GIP provides the necessary tools, resources, and information that help new hires to become productive swiftly and fast track the learning curve. As a prerequisite to the GIP, all new recruits are required to complete mandatory online learning modules on the Learning Management System.

Employment Transition Assistance

As a part of the Group's strategy for retaining talent, employees are offered the opportunity to apply for new roles within the Group. Vacancies are advertised internally via the Internal Job Posting Programme (IJPP) in addition to advertising externally. The IJPP promotes employee mobility across sectors and business units. This enables employees to steer their career progression, whilst the business benefits from new hires' familiarity with internal processes, enabling a smoother and faster transition into their new roles.

In the spirit of supporting employees through the employee life cycle, retiring employees are prompted at the beginning of their retirement year of their upcoming retirement, as are their supervisors, thereby assisting them to plan for their retirement in addition to enabling supportive conversations regarding the transition.

Hires by Gender Identity

Male		Female	
58%	8,520	6,102	42%

Hires by Region

Local		Overseas	
99%	14,448	174	1%

Hires by Age Group

<30		30-50		>50	
12,466	85%	2,051	14%	105	1%

EMPLOYEE ENGAGEMENT AND WELL-BEING

The Group places strong emphasis on ensuring that employees remain engaged, connected, and positively aligned with the business, fostering a high-performance culture. Through a range of targeted programmes, the Group continues to invest in employee well-being – physical, mental and financial, enhancing productivity, strengthening employee retention, and nurturing a positive work environment.

Key initiatives during the year:

- Career Week was hosted for the 6th consecutive year. This initiative is designed to foster employee development and entrepreneurship and features a series of events, including one-on-one career chats with the Group's senior leadership.
- The Group Talent Show Spotlight was held for the 3rd consecutive year, showcasing employee talents, with over 100 employees auditioning as contestants under Solo Singing, Group Singing, Solo Dancing and Group Dancing categories, with a 25% increase in participation compared to the previous year.
- The Group Sports Committee organised a series of inter-company sporting events, including the Rugby 7's, the Softball Cricket Tournament, and the Inter-company Swimming Meet.
- Sportspersons from the Group also achieved impressive results in external sporting contests during the reporting period. JKH emerged as winners of the Mercantile Rugby 2024 tournament and the Standard Chartered Cup (Futsal) whilst securing runners-up positions in the Bowl 2 Division at the Mercantile Badminton tournament and at the Mercantile Swimming competition.
- Tidings & Tinsel, The Group annual Christmas carols, featured a 60-member choir and gathered an audience of over 350 colleagues across the Group.
- The Step Challenge was conducted for the 3rd consecutive year with over 350 employees enthusiastically competing to virtually walk the distance from Colombo to Sigiriya, fostering physical wellness and a spirit of friendly competition.
- The Group has partnered with Child, Adolescent and Family Services (CAFS) to provide employer-sponsored therapy sessions for all employees, which was complemented by awareness sessions on recognising and maintaining mental health.
- Comprehensive breast cancer awareness sessions were made available to all staff. A health camp offering hearing and visual assessments was also conducted.
- Enhancing its holistic approach to employee welfare, the Group implemented financial well-being programmes featuring internal and external experts, equipping employees with practical knowledge on developing stronger financial discipline.
- Each business unit across the Group implemented tailored well-being activities designed to address requirements specific to their sector.

PERFORMANCE MANAGEMENT

The Group fosters a culture of meritocracy and high-performance through a structured performance management system that enables regular feedback for course correction and professional growth.

Bi-annual formal appraisals are conducted for the executive cadre while all other staff undergo annual evaluations. Complementing these structured reviews, Continuous Performance Management (CPM) empowers supervisors and teams to convert strategic objectives into actionable steps tracking progress and feedback in real-time enabling a dynamic and responsive approach to performance management. CPM enables employees to receive regular feedback from their colleagues, encouraging a culture of collaboration and continuous improvement.

Each employee's assessment is reviewed by a committee which reinforces transparency and equity in performance appraisals. The performance management process provides input into the compensation and benefits process so that performance-based pay decisions can be made. Input from the performance management process supports the learning and development process, whereby support required to continuously improve and to address performance gaps are provided.

In 2024/25, the PMS achieved a 100% completion rate among eligible employees.

COMPENSATION AND BENEFITS

The Group's compensation approach is rooted in a pay-for-performance philosophy which is consistently applied across the Group, while meeting business-specific needs and regulatory compliance requirements. To maintain competitive and equitable compensation, the Group periodically conducts comprehensive compensation and benefits surveys conducted by independent consultants. This role-specific market benchmarking helps foster a fair pay structure aligned with industry standards. The Group ensures equitable pay for employees in similar roles at the same level, fostering an inclusive workplace that eliminates gender-based pay disparities. All employees of the Group are compensated at or above the legally mandated minimum wage. The ratio of standard entry level wage to minimum wage is 1:1. The Group remains fully compliant with the country's labour laws and regulations and is supported by the Employers' Federation of Ceylon (EFC), which provides guidance and advisory services on regulations pertaining to Human Resources.

The Group's benefit scheme offers a comprehensive suite of market-competitive benefits designed to attract, motivate, and retain employees while enhancing financial security and overall employee well-being. All permanent employees receive the same benefits aligned to their level in the organisation, while contract employees are provided with the same benefits as permanent employees (except for increments and short term incentives which are governed by contractual terms). The Senior Management including the Group Operating Committee (GOC), is eligible to the Employee Share Option Scheme at the discretion of the Group Executive Committee (GEC), allowing them to purchase company shares at a pre-determined price, fostering a sense of ownership and aligning the interests of employees with the long term success of the Group. Additionally, the share options allocated to the members of the GEC, including those of the Executive Directors, are determined by the Human Resources Compensation Committee (HRCC). Benefits for those based in Sri Lanka and other countries vary in compliance with the respective countries' laws and regulations.

Initiatives during the year

- Continued the payment of the Temporary Crisis Allowance which was provided in addition to employees' basic salary from January 2023 onwards, to assist employees in navigating the challenging macroeconomic environment.
- Initiatives such as employee discounts, facilitated through the employee supplier catalogue, wherein preferential terms and conditions are made available to the employees of the Group for the purchase of various goods and services. Furthermore, knowledge sharing awareness sessions and webinars are conducted throughout the year to educate the employees in managing their personal finances.

In addition to the annual increment, short term incentives and employee share option schemes, the Group offers a range of benefits including medical and life insurance, disability coverage, travel benefits, retirement plans and parental leave.

Employee Benefit Plans

In accordance with the labour laws of Sri Lanka, employees are eligible for the Employees' Provident Fund (EPF) and the Employees' Trust Fund (ETF) contributions, whilst Maldivian nationals employed in the Maldives are eligible for the Maldives Retirement Pension Scheme (MRPS) contributions.

The total contribution made to the Employees' Trust Fund for 2024/25 amounted to Rs.400 million (3% of salary contributed by the employer), whilst the total contribution made to the Employees' Provident Fund was Rs.1.7 billion.

In Sri Lanka, employees are also entitled to retirement gratuity. The employee benefits liability as at 31 March 2025 stood at Rs.3 billion, and this liability is funded internally.

Parental Leave

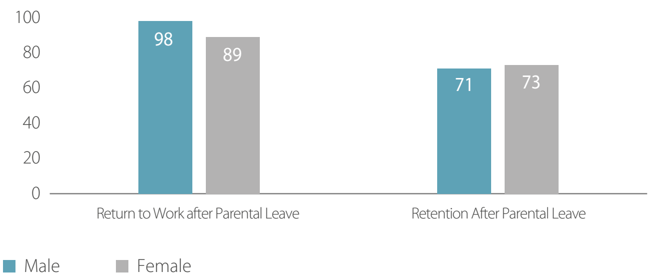
The Group's parental leave policy reflects its dedication to employee well-being, work life balance and gender equity, reinforcing the Group's belief in shared parenting responsibilities and equal opportunity. All employees of the Group are entitled to 100 days of parental leave.

Total number of employees that took parental leave during the reporting period

Male **218**

Female **75**

Return and Retention After Parental Leave
(%)



The retention period was calculated based on the number of employees retained within the Group (as at 31 March), 12 months after returning to work following a period of parental leave.

Childcare

As part of the Group's continued commitment to advancing Diversity, Equity and Inclusion, the Group offers subsidised childcare benefits to support working parents across all companies. Through partnerships with three carefully selected service providers, creche facilities are available across 12 locations in Colombo and its outskirts. This initiative enables parents, particularly those returning after parental leave, to re-enter work with greater ease. This has positively contributed to the Group's return to work rates, contributing to higher employee retention and a more inclusive work culture.

Flexible Work Options

Flexible working and remote working arrangements are offered wherever feasible, providing employees with greater work-life balance and contributing positively to overall well-being. Group funded Wi-Fi support is provided to ensure reliable internet access and technology systems are strengthened to support remote work. This includes access to cloud folders for file sharing, online meetings wherever possible, and improved IT support and infrastructure to help employees stay connected and work efficiently from any location.

REWARD AND RECOGNITION

Employee recognition is an integral part of the Group's commitment to building a high-performing and engaged work culture that drives the Group's success. To appreciate and reward individual and team contributions, various employee recognition schemes are available at both a Group and Industry Group level.

- The Chairperson's Awards launched in 2004, stands as the highest internal recognition programme, honouring individuals and teams that have made a significant contribution to the Group's triple bottom line under the categories – Outstanding Achievement, Corporate Social Responsibility (CSR), Sustainability, Innovation, Disruptive Innovation and Diversity, Equity, and Inclusion.
- 'Employee of the Year' and 'Champion of the Year' awards are presented by businesses to recognise employees for their outstanding performance and contributions to business.
- The Group recognises the dedication and commitment of employees who actively contribute to CSR initiatives through the Volunteerism Awards, recognising those who go beyond their mandated professional responsibilities.
- The BRAVO recognition programme honours employees who exemplify the Group's core values in their roles.
- The long service awards recognises and rewards employees for their significant contribution to the Group over the years while honouring their loyalty, dedication and unwavering support in driving the success of the business.
- Online recognition tools, such as badges available on the Human Resource Information System (HRIS), enable employees to acknowledge and appreciate their colleagues for demonstrating Group values, going the extra mile, delivering outstanding work, and exceptional teamwork. These accolades are also integrated into performance appraisals.

LEARNING AND DEVELOPMENT

During the year in review, the Group focused on employee development, with special emphasis on leadership and operational capability building, framed by the new organisational competency framework known as Success Drivers.

Across the Group, focused learning and development interventions were conducted through online and physical formats to address individual and business needs across all employee segments, with Senior Management receiving greater emphasis on leadership development through individual coaching.

Average Training Hours per Employee by Category:

8	42	30	34
Senior Management	Middle Management	Junior Management	Non-Executive

Average Training Hours per Employee by Gender Identity:

Male	Female
31	36

Programmes for Upgrading Employee Skills

Success Drivers Awareness Sessions

In 2023/24 the Group launched a new set of competencies titled Success Drivers, replacing the Group Roof Competencies. The Group's leadership and talent development initiatives are built around developing such targeted competencies.

Refer Section Success Drivers of the Corporate Governance Commentary for further information – page 256

During 2024/25, Group-wide awareness campaigns of Success Drivers were conducted, championed by a team of over 60 employees (managers and above) from across the Group. The awareness sessions included real-life examples and activities which were purposefully designed to establish the core principles of Success Drivers. These sessions engaged 70% of staff at executive and above levels, with the remainder to be covered in Q1 2025/26. Complementing the awareness sessions, informative flyers on each Success Driver were circulated, providing employees with access to relevant online courses, articles, and videos via the Learning Management System, Bridge, fostering ongoing professional growth.

Leadership and Management Development

The Group's future-focused learning culture aims to ensure that managers and leaders champion change and innovation and are equipped to play a critical role in achieving the organisation's long term strategic goals.

- The Group's Management Development Programme (MDP) was held for the 9th consecutive year with the participation of 30 managers from across the Group. A key highlight of the MDP programme, delivered by the Postgraduate Institute of Management, is the action learning project, where participants tackle a real-life business issue related to the Group and propose solutions.

- LeadHERship, the leadership development programme focused on women.
- SHINE programme for first-time managers.
- Executive Coaching for identified senior leaders.

Increasing Learning Engagement

As part of the effort to create a dynamic learning environment and foster continuous learning, the Group conducted a blend of self-learning and social learning programmes through online, in-person and blended formats during the year in review. The Group's online Learning Management System is accessible to all executive and above employees across the Group. In the Retail and Leisure industry groups, this learning system is extended to frontline employees, ensuring they receive comprehensive knowledge and skill development.

The Group also rolled out several other programmes that encourage peer learning and engagement.

- The Open Mic night provided a platform for employees across the Group to exchange personal experiences and insights on diverse themes ranging from personal growth to sustainability.
- The Speakers' Club, an ongoing initiative held bi-monthly to enhance employees' public speaking and communication skills, featuring speeches and peer feedback in a supportive learning environment.
- The Annual Speechcraft Programme, conducted in collaboration with the Smedley Toastmasters Club, guided a cohort of 30 nominated participants through a structured 10-week journey to strengthen public speaking and presentation skills under the mentorship of experienced Toastmasters.
- The JKH Quiz Night brought together 17 teams from across the Group for an interactive learning experience with themed rounds on general knowledge, current affairs, and Group-specific insights, encouraging collaboration and continuous learning in a fun, competitive format.

HEALTH AND SAFETY

The Group ensures that robust health & safety management systems are in place for employees, contractors, and visitors across all businesses, ensuring compliance with applicable local and international regulations. Beyond legal compliance, fostering a culture of safety and well-being helps employees thrive in a supportive workplace.

Occupational Health & Safety (OHS) Risk Assessments

The Group adopts a proactive and structured approach to occupational health & safety (OHS), with each industry group conducting regular risk assessments to identify work-related hazards. These hazards are detected through multiple channels, including the recording of near misses, operational meetings, safety inspections, and audits with technical teams. To minimise and control these risks, the OHS teams apply the universal hierarchy of controls elimination, substitution, engineering controls, administrative controls, and the use of personal protective equipment (PPE).

Training, collaboration, and continuous monitoring form the foundation of our safety culture. Personnel are equipped with the necessary competencies through targeted training programmes, regular assessments, and improvement initiatives tailored to operational needs. The Group fosters a culture of open communication, encouraging all workers to report hazardous situations as and when experienced. Any significant risks identified are promptly addressed through corrective actions, and employees are empowered to remove themselves from unsafe work situations in accordance with the Group's health & safety policy. Through these efforts, we work to prevent and mitigate negative OHS impacts across our operations and business relationships.

Industry Group/ Sector	Risk Assessment Methodologies & Framework
Transportation	• Risk assessments aligned with ISO 45001:2018 and related checklists.
Consumer Foods	• Risk assessments are based on likelihood (task frequency, controls, past incidents) and severity (minor injuries to fatalities). • Routine assessments identify hazards and implement controls; non-routine assessments address new processes, equipment hazards, and unexpected risks.
Retail	• Job role and workplace-based risk assessments using a matrix. • Non-routine assessments for new processes, equipment, and operational changes. • Monthly reviews to analyse incidents and take corrective actions. • Routine risks assessed via Hazard Identification and Risk Assessment (HIRA) system; Management evaluates non-routine risks through operational changes and strategic reviews.
Leisure	• Hazards are categorised by severity (low to critical) with control measures. • Continuous monitoring ensures updates based on operational changes.
Plantation Services	• Routine assessments identify hazards and implement controls. • Non-routine assessments include pre-task reviews and specialised controls.
Information Technology, Financial Services and Other (Excl. Plantation Services)	• Internal risk assessments follow Group policies and guidelines.

Accidents and Incident Recording Process

Each business unit maintains incident records in line with regulations and reporting requirements. Employees are trained to recognise and report incidents immediately in an informative manner in a standard format. Each business unit adheres to a structured reporting system designed to ensure prompt accident response and comprehensive incident investigations, aimed at preventing recurrence.

The injury record summary for 2024/25 is as follows:

Injury Category	Employees	Contractors' personnel
High-Consequence Injuries (No.)	0	0
High-Consequence Injury Rate (%)	0	0
Recordable Injuries (No.)	324	20
Recordable Injury Rate (%)	2	0.21
Total Hours Worked (Million)	37.01	19.10
Fatalities (No.)	0	0
Fatality Rate (%)	0	0

**Injury and fatality rates calculated per 200,000 hours worked*

Breakdown of Employee Injuries	Employees Contractor personnel	
Type of Injury	Employees	Contractors' personnel
Injuries due to falling	76	05
Injuries due to explosions and exposure to harmful rays/substances	20	02
Injuries due to electrocution	02	00
Injuries due to malfunctioning equipment	03	01
Injuries due to lifting or moving heavy items	179	03
Injuries due to cuts, pricks and sharp objects	33	04
Injuries due to roadside accidents/ vehicle collisions	03	00
Injuries due to natural disasters and other causes	08	05

In addition to physical safety measures, industry groups also prioritise employee health. Various health services are provided to both employees and contracted workers, along with access to voluntary health programmes. Prior to the commencement of each programme, the business ensures that relevant notices are issued to all participants to ensure broad awareness and participation.

Industry Group	Non-Occupational Healthcare Services	Voluntary Health Programmes
Consumer Foods	Health insurance, OHS assessments	Medical and eye checkups, fitness sessions, BMI competitions, diet and exercise training, gym and sports facilities
Retail	Medical insurance, OPD coverage, health checkup campaigns	Health screenings, breast cancer awareness, programmes on non-communicable diseases, ergonomics and stress management
Transportation	Occupational health screenings	Mobile health promotions
Plantation Services	Annual medical screenings, disease awareness	Health camps, non-communicable disease awareness, oral and cervical cancer screenings, eye and ear checkups with medication support
Leisure	Insurance, employee assistance, OHS monitoring	Wellness programmes, gym access, mental health support, health promotions
Property	Medical tests, insurance	Medical camps
Financial Services, Information Technology and Other	OHS assessments	Mental health programmes, wellness programmes

Health & Safety at Work.

In every business unit, employee participation in development, implementation, and evaluation of Occupational Health & Safety Management systems are encouraged through meetings and feedback sessions. Formal joint management-worker safety committees are in place in most of the businesses, while office locations are overseen by HR and Administration divisions as applicable.

Each business unit provides general occupational health & safety training, including first aid, fire prevention, firefighting, and food hygiene, while certain industry groups also offer specialised training courses tailored to their specific operational needs.

Industry Group/ Sector	Training Provided
Transportation	• Health and safety roadmap training.
Consumer Foods	• PPE training, work at heights, ammonia safety and awareness, confined space training.
Retail	• Online OHS training via Keells Retail Academy platform (generic and role-specific), machine and equipment safety, working at heights, electrical safety, manual handling, fire response and evacuation procedures, induction and refresher sessions (fire safety, first aid, PPE usage).
Leisure	• Training through Cinnamon Online Academy. Internal auditor training (ISO 22000, ISO 14001, ISO 45001), workplace hazard and chemical handling, Business Continuity Planning (BCP) drills, fire safety and emergency preparedness, food safety, Legionella awareness, allergen safety.
Plantation Services	• First aid for snake bites, ergonomics training, hands-on electrical safety, chemical and hazardous material handling, pandemic and environmental disease prevention.

EMPLOYEE RELATIONS AND COLLECTIVE BARGAINING

The Group maintains ongoing engagement with trade unions and joint consultative committees. Formal Collective Bargaining Agreements (CBA) which are established in the Consumer Foods industry group cover a total of 516 employees, representing 2.8% of the Group's total workforce. The agreements include clauses on notice periods and provisions for consultation and negotiation. Terms of employment and working conditions for employees not covered by CBAs are not aligned with the provisions of CBAs as the CBA terms are industry specific. Given the Group's commitment to upholding employees' rights and ensuring their well-being, such terms and conditions however, are benchmarked against best practice and maintained at the highest levels.

The Group ensures that employees or their representatives receive a minimum of 30 days' notice prior to any major operational change that could significantly impact them (except where such notice would violate market confidentiality considerations). Workers' rights to exercise freedom of association and/or collective bargaining are upheld in all operations of the Group. This steadfast commitment to constructive labour relations supports the Group's broader goals of sustainable workforce management and equitable employment practices.

The Group's Employee Grievance Handling Procedure outlines the steps to be taken in addressing employee grievances and the timelines for action. In line with the Group's open-door policy, employees are free to provide feedback on the procedure and its effectiveness to their HR departments and senior leadership.

DIVERSITY, EQUITY AND INCLUSION

Diversity, equity, and inclusion (DE&I) are integral to the Group's success, not as a compliance exercise, but as a business imperative. Guided by the ONE JKH initiative, the Group's approach is rooted in meritocracy, focusing on equal opportunity and creating an inclusive environment where all individuals can thrive, irrespective of gender identity, ethnicity, sexual orientation, or disability status.

The initiatives the Group has implemented under ONE JKH, such as 100 days of equal parental leave, women-centric training, gender-neutral terminology, and increasing female participation in non-traditional roles and mentoring, are all designed to remove biases and barriers and provide equal opportunities for all employees and other stakeholders to succeed.

In 2024/25, as part of its continued commitment to fostering an inclusive organisation, the Group formally recognised domestic partnerships, regardless of whether they are same-sex or different-sex, for the purpose of extending select benefits and entitlements. This ensures that partners and children within such partnerships have access to existing company benefits.

Gender Target

- As of 31 March 2025, the Group has made notable progress with 34% female representation among employees—up from 30% three years ago.
- While the Group has made its best efforts to break role stereotypes and develop a pipeline of female leaders, the Group would not succeed in meeting the target of 40% by 2025/26.
- During the year under review, the Group conducted a comprehensive review across all Group businesses and set a revised target of reaching 40% by 2029/30. The Group remains steadfast in its commitment to improving female participation in the workforce and leadership, firmly upholding the principles of merit and equity that define the organisation and will remain committed to achieving the revised target.

Building on the initiative launched in 2021 to create awareness through guided conversations on addressing unconscious bias, the Group re-commenced awareness sessions in Q4 2024/25 for Manager and above staff and also launched the next phase equipping internal trainers to cascade the learning to executive and assistant manager levels.

In June 2024, the Group was a key sponsor of Colombo PRIDE for the third consecutive year. As the first Sri Lankan corporate to be inclusive of the LGBTIQ+ community, the Group is an ally and is committed to economic empowerment for all.

The Group's SanNap initiative, which was launched in 2022 to provide free sanitary napkins to all female staff at the Group, is now reaching over 6,000 female staff members across the Group. This initiative is undertaken with the twin objectives of addressing period poverty and normalising the topic of menstrual health.

The fourth issue of the annual bi-lingual DE&I newsletter, JK Connect, was disseminated amongst partners in the value chain, including Group staff. This newsletter is aimed at keeping the Group's partners up-to-date on the ONE JKH initiatives and to act as a platform for sharing knowledge and insights on success stories on DE&I, from across the value chains.

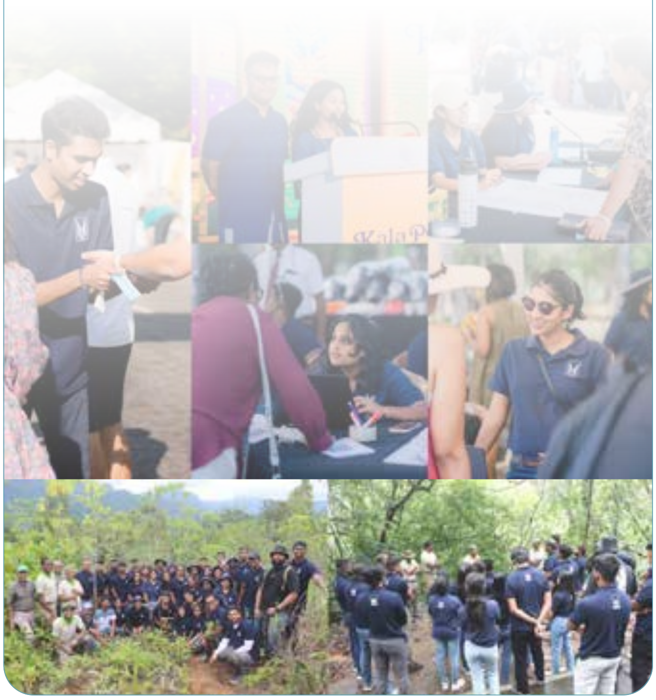
Emphasising the Group's commitment to monitor and take corrective action on any instances where its commitments to DE&I may not be upheld, many channels such as the open-door policy, grievance handling process, speak-up policy, Chairperson Direct and the ombudsperson continued to be available for employees to report any incidents of discrimination and other grievances. No incidents of discrimination were reported during the reporting period.

EMPLOYEE VOLUNTEERISM

Staff volunteers continue to be instrumental in supporting the coordination, implementation and monitoring of John Keells Foundation's (JKF) initiatives. Volunteer opportunities, which are also extended to non-employee associates such as interns, serve as a valuable platform for Group-wide engagement, team building and purpose-driven experiences.

During 2024/25, employee volunteerism saw a notable increase, with volunteer engagement in `Kala Pola' (annual open air art fair) nearly doubling to 222 from 123 in 2023/24. JKF's volunteer base remained diverse, comprising project champions, sector CSR coordinators, volunteer trainers, and those involved in skill-based volunteering, fieldwork, and administrative support.

During the year under review, a total of 852 staff volunteers participated in JKF's projects, recording 1,268 volunteer instances and over 4,891 hours. These figures do not include volunteer engagement in CSR initiatives carried out at the sector or business level.



HR COMPLIANCE AND HUMAN RIGHTS

The Group has in place a comprehensive employee Code of Conduct which guides, assists and protects employees, businesses and brands, and stakeholders by guiding employees to always do the right thing in all businesses across the Group.

Refer Section Code of Conduct of the Corporate Governance Commentary for further information – page 268

The Group is committed to upholding human rights and does not employ any person under the age of 18 (eighteen) years in the workplace in accordance with its Minimum Age Policy. The Policy on Child Labour provides guidance on the Group's stance on this topic. The Leisure industry group has implemented a sector-specific Child Protection Policy (as part of its human rights policy) and conducts awareness sessions for their staff on child protection. The Destination Management business conducts awareness sessions for tour guides on the Group's stance against child labour and forced labour, emphasising the need to report incidents to management and relevant local authorities. It also holds consultative membership in National Policy Development on Voluntourism with End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes (ECPAT) Sri Lanka, a network of organisations focusing on ending the sexual exploitation of children. The business also works on fostering peer support, sharing best practice, and enhancing industry-wide child protection efforts and labour practices in collaboration with the National Child Protection Authority. Moreover, the Group's commitment to child protection is extended to the wider society through John Keells Foundation's Project WAVE .

Refer Project WAVE of Social and Relationship Capital Review for further information – Page 105

No operations in the Group carry a significant risk for incidents of forced or compulsory labour. The Group has in place written contracts of employment for all employees which clearly outline their terms and conditions of employment. Trainees and interns too, are provided with a written contract outlining mutual obligations that arise through the engagement.

EMPLOYEE EXITS

Managing employee attrition continues to be a key focus area for the Group with regular monitoring, especially in industry groups that experience higher attrition rates due to the nature of the business and market competitiveness in attracting talent. During the year under review, the Group reported a 27% attrition rate among its executive workforce. The Group remains focused on implementing measures to effectively manage attrition at both the Group and Industry Group levels.

Exits by Gender Identity

Male	6,951	58%
Female	5,031	42%

Exits by Region

Local	11,761	98%
Overseas	221	2%

Exits by Age Group

<30	10,058	84%
30-50	1,694	14%
>50	230	2%

**The total employee exits include those from both the retail supermarket and BPO businesses, which traditionally experience higher attrition rates.*

HUMAN CAPITAL REVIEW

MANAGEMENT APPROACH

The Group remains committed to optimising human potential through a robust human capital strategy, leveraging comprehensive policies that govern all aspects of human resource management. These include talent acquisition, performance management, compensation and benefits, reward and recognition, learning and development and employee relations. Group Human Capital policies also address governance related areas such as professional conduct (through the Code of Conduct), anti-sexual-harassment, anti-fraud, diversity, equity and inclusion, equal opportunity and non-discrimination and speaking up.

Whilst the Group provides guidance and an operating framework by way of human capital policies, processes and systems, the achievement of its strategic initiatives depends on execution at business unit-level. The Heads of HR of the sectors are members of the Human Resources Group Management Committee (HR GMC), which is chaired by the Group's Chief People Officer (CPO), and this body functions as both a channel through which Group's human capital decisions are cascaded to the wider HR teams for execution, and as the channel through which sector human capital priorities and challenges are brought to the notice of the CPO and the Group HR team for support and guidance.

The Group leverages its human resource information system, HIVE, to drive systematic human capital management. This integrated platform facilitates processes spanning the employment journey, from recruitment to exit, enhancing operational efficiency and employee experience. The system also enables the Group to obtain reports and track key Human Capital metrics which are reported quarterly to the Board.

The Group's operating structure is designed to ensure all key people-related decisions are made collectively through committees rather than by individuals. This ensures that meritocracy and equal opportunity remains the guiding principle throughout every stage of an employee's journey within the Group. This approach also aligns decision-making processes with the Group's strategic requirements and the unique needs of each business unit, fostering a consistent and transparent approach which is a vital pillar in the Group's commitment to being a meritocratic organisation.

Talent Acquisition

The Group focuses on attracting talent at all levels by maintaining a strong employer brand through initiatives such as university engagements, employer branding on social media and structured talent attraction programmes (such as the John Keells Management Trainee programme and the FastTrack internship programme). Companies in the Group also engage with specific universities with talent pools relevant to their industries. To enhance the transparency of hiring, and to provide opportunities for staff to take ownership of their careers, vacancies are advertised internally via an internal job posting programme in addition to advertising externally. John Keells is an equal opportunity employer and emphasises merit-based hiring decisions. To this end, a plethora of selection tools are in use which also includes psychometric assessments aligned with the Success Drivers for hires above the Assistant Vice President level.

Performance Management

The Group is committed to fostering a high-performance culture through a structured performance management system that ensures regular feedback and support for employees.

As part of the Group's performance management framework, formal appraisals are conducted bi-annually for the executive cadre and at least once a year for all other staff. In addition to these structured reviews, continuous feedback is recorded and monitored through the Group's Human Resource Information System (HRIS) throughout the year, ensuring a dynamic approach to performance management. The career committee process whereby each employee's performance evaluation is reviewed by a committee, serves to enhance the fairness of evaluations and to reduce biases.

By integrating ongoing assessments with structured review processes, the Group reinforces its commitment to performance, professional excellence, and long term career progression.

Employee Reward and Recognition

The Group fosters a culture of appreciation and motivation through structured reward and recognition programmes at both the Group and business unit levels. At the Group level, the prestigious Chairperson's Awards honour excellence in Business, Innovation, CSR, Sustainability, and DE&I, celebrating individuals and teams who have made a meaningful impact.

The Group's spot award scheme, Bravo, is designed to recognise the demonstration of Group Values: Caring, Integrity, Trust, Innovation and Excellence and promote a culture of empowerment as any employee can nominate another for this recognition. Peer-to-peer recognition is also encouraged through HIVE, the Group's Human Resource Information System (HRIS). Employees can utilise dedicated functionalities such as badges and peer feedback, fostering a collaborative and rewarding work environment.

Beyond these Group-wide initiatives, each sector and business unit implements tailored recognition programmes, including Employee of the Year, Champion of the Year and other sector level recognition programmes, reinforcing performance excellence and core values across teams.

Learning and Development

The Group focuses on building employee capability through significant investment aimed at enhancing skills and competencies. To support this, the Group has identified nine key Success Drivers that will serve as the foundation for leadership development, talent attraction, and continuous learning initiatives.

As technology continues to reshape the corporate landscape, the Group remains agile and committed to adapting its learning strategies to align with these changes. The learning and development philosophy and practices promote lifelong learning and continuous engagement through diverse learning channels and interventions.

In addition, the Group ensures that learning and development systems are robust, accessible, relevant, and personalised. Various industry groups, such as Leisure, Consumer Foods, Retail, and Financial Services – Insurance, have dedicated teams focused on designing and implementing customised learning initiatives. Supervisors are also empowered to mentor and coach employees, to ensure continuous growth.

Career development programmes, leadership-focused coaching, and knowledge-sharing opportunities are actively encouraged at all levels within the organisation. These initiatives are recognised and valued as a means of driving improved business performance through a well-equipped, adaptable workforce. Ultimately, the Group's commitment to fostering a culture of learning ensures that employees are empowered to meet evolving business needs and contribute to the organisation's long term success.

Employee Relations and Collective Bargaining

The Group fosters a culture of open dialogue and collaboration to enhance the overall employee experience. Engagement mechanisms such as an open-door policy, skip-level meetings, and structured consultative platforms ensure continuous dialogue and meaningful interaction between employees and leadership.

Formal collective bargaining agreements are in place within the Consumer Foods industry group, reinforcing structured employee representation and negotiation. In the Plantation Services sector, Tea Smallholder Factories (TSF) adheres to customary wage structures aligned with national plantation industry regulations, ensuring compliance and fairness in compensation practices. These initiatives reflect the Group's commitment to structured employee engagement, equitable workplace policies, and sustainable labour practices. Terms of employment and working conditions in businesses which do not have CBAs, are not aligned with the terms of the Consumer Foods industry group CBA as these are industry specific requirements. Given the Group's commitment to employee well-being, however, such terms are benchmarked against best practice relevant to their respective industries.

Employee Benefits

The Group adheres to the statutory provisions regarding superannuation and best in class insurance benefits. In some instances, as in the case of private provident funds in Sri Lanka, the Group exceeds the legal minimum requirements in the interests of providing a better benefit for its employees.

The Group offers flexible working and remote working wherever feasible. This benefit is valued by employees who appreciate the work-life balance that such policies afford.

Employee Engagement and Retention

The Group conducts periodic employee engagement surveys with the aim of listening to its employees and obtaining direct feedback on the employee experience. Such feedback is then built into action plans and followed up to ensure continuous improvement of the employee experience.

In addition to surveys, there is regular communication with employees using channels such as group emails, social media forums and other e-communication channels.

The Group provides opportunities to its staff to contribute beyond their routine job roles by such mechanisms as innovation teams and, CSR volunteerism programmes. The Group Sports Committee regularly organises inter-company sports events enabling staff to come together through sports. This process also supports talented sportspersons from across the Group to be recognised and represent the Group in mercantile sports events. Group HR organises events such as the Group talent show and the Christmas Carols for employees to engage with each other and across business units whilst celebrating each other's talents.

Staff retention continues to be closely monitored by both HR and business heads. Exit interviews are carried out for employees leaving the Group. Group HR facilitates exit interviews for those at Assistant Vice President (AVP) and above levels whilst the sectors manage the process for other levels. This feedback provides actionable insights that help the Group manage attrition.

Diversity and Equal Opportunity

The Group maintains a sustained focus on employee diversity, equity, and inclusion. It has in place a DE&I Policy, a Gender Policy, and a Persons with Disabilities (PWD) policy to promote diversity of its workforce. The Group continuously works on ensuring that its workforce is truly diverse and has equal opportunities. The Group uses inclusive language in all its policies with the Code of Conduct and Group policies reflecting its commitment towards non-discrimination. The culture of inclusion is promoted internally with the support of awareness sessions and forums as well as strategic ONE JKH initiatives across the Group.

Health & Safety

The Group places prime importance on occupational health & safety of everyone connected to the Group's operations, including employees, contractors and suppliers. Driven by the Group's health & safety policy, each business unit conducts comprehensive risk assessments in their respective operational units identifying potential hazards and ensuring appropriate preventive measures are in place. These are extended to their contractors and where relevant to the suppliers by including clauses in their agreements with standards to be met based on the nature of work scoped out.

Whilst adhering to the country's acts and ordinances that address health & safety of employees, most industry groups, where relevant, comply with ISO 45001:2018 standard and have adopted additional health & safety guidelines specific to each of the sectors.

The Consumer Foods, Leisure, Transportation, Retail, and Property industry groups and the Plantation Services sector adhere to regulatory frameworks such as the Sri Lankan Factories Ordinance, Shop and Office Acts and National OHS policy. Whilst the Financial Services industry group and Information Technology sector do not have a dedicated occupational health management system in place, they adhere to fundamental health & safety guidelines. Despite differences in management systems, 100% of the employees and non-employee workers stipulated under workforce composition page 87, are covered under occupational health & safety measures in accordance with the Group's health & safety policy. Each management system and procedure are audited by both internal and external parties. Health and safety committees respective to each sector ensure compliance with these standards. An incident reporting mechanism is in place across the Group to ensure transparent and accountability and to identify areas for continuous improvements.

Corrective measures for recorded injuries are identified through the application of the Hierarchy of Controls, tailored to the operational activities of each industry group. The Group actively mitigates workplace risks across all sectors by eliminating or substituting hazardous processes. Engineering controls, including safety barriers, automated equipment and other mechanisms are implemented to reduce direct exposure, particularly in Consumer Foods, Transportation, and Retail industry groups. Administrative controls such as mandatory training, safety audits, and updated safety protocols promote compliance and enhance risk awareness. Providing personal protective equipment (PPE), such as gloves, masks, helmets, and flame-resistant clothing, provides an additional layer of protection. Each industry group applies specific controls to manage relevant risks such as electrical safety protocols, work at height permits and permits to work in confined spaces. Together, these measures contribute to a safer work environment for employees and stakeholders, aiming to prevent both minor recordable injuries and high-consequence incidents.

Additionally, Health & Safety is a key pillar under the Group's ESG strategy framework. In the short term, the Group is committed to maintaining zero preventable workplace injuries, while in the medium to long term, it aims to have all business units accredited under an established operational Health & Safety standard.

People Policies

The people policies at JKH broadly cover two areas: employee life cycle policies and compliance and conduct related policies.

Employee Life Cycle Policies

These policies guide supervisors and employees to navigate the different stages of the employee life cycle and include the following:

- Recruitment and Selection
- Performance Management
- Compensation and Benefits
- Reward and Recognition
- Grievance Handling
- Disciplinary Process

Compliance and Conduct Policies

The Group's compliance and conduct policies are aligned with its commitments to uphold human rights and create a respectful and inclusive workplace for all.

Code of Conduct

The Code of Conduct is designed to guide, assist and protect employees, businesses and brands, and stakeholders by ensuring that the employees always do the right thing in all businesses across the Group.

Policy on Child Labour

The Group does not engage children in employment. As a general practice, the Group does not employ any person below the age of eighteen at the workplace.

Policy on Forced or Compulsory Labour

No employee of the Group is forced to work against their will or is subject to corporal punishment or coercion of any type related to work.

Health & Safety Policy

The Group is committed to ensuring a safe working environment for its employees and prides itself in providing a Safe Place to Work. The Group is similarly committed towards its contractors and visitors who are involved in any business or transaction with the Group.

Policy Against Sexual Harassment

The Group is committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work including sexual harassment. The Group operates a zero-tolerance policy for any form of sexual harassment in the workplace, treat all incidents seriously and promptly investigate all allegations of sexual harassment reported via internal channels or via the external ombudsperson, ensuring appropriate corrective action.

Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing, and Sanctions Anti-Fraud Policy

The Group places the highest value on ethical practices, with a zero-tolerance policy towards corruption and bribery in all its transactions. This policy outlines the principles and procedures that the Group will adopt to prevent, detect, and address bribery, corruption, fraud, facilitation payments, money laundering, terrorism financing, proliferation financing and sanction violations within the organisation and its business dealings.

Policy on Equal Opportunities

The Group is an equal opportunity employer. Accordingly, the Group is committed to hiring, developing and promoting individuals who best meet the requirements of available positions, possess the required competencies, experience and qualifications to carry out assigned tasks and have the potential for growth within the organisation.

Diversity, Equity and Inclusion (DE&I) Policy

The Group recognises the importance of diversity, equity, inclusion and the role it plays in ensuring workplace respect, organisational success and sustainability for all stakeholders.

Policy on Ombudsperson

The Group has appointed an Ombudsperson to provide employees with an independent, confidential, and impartial party to whom they can voice their concerns on any Code of Conduct violations and/or unethical behaviour.

Speak-up Policy

Employees are free to speak up on any concern about compliance and ethics experienced contrary to the Group's commitment to its values and ethics. Those who make a report in good faith under the Policy will be protected from retaliation.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

"Building strong, sustainable relationships with our customers, suppliers, communities, and wider stakeholders remains central to creating long term value for the Group."

Spend on Local Suppliers	Spend on CSR
85%	**Rs.230 million**
2023/24: 86%	2023/24: Rs.187 million

Persons Impacted through Community Engagement

1,837,676

2023/24: 1,952,511

Building strong, sustainable relationships with our customers, suppliers, communities, and wider stakeholders remains central to creating long term value for the Group. The Group's efforts are thoughtfully designed to deliver sustained positive impact and to actively engage those the Group works with across its ecosystem. By fostering trust and collaboration, we strengthen partnerships and build supportive networks that enable sustainable growth.

The discussion on Social and Relationship Capital comprises two parts:

(1) A performance analysis of focus areas of the Group's Social and Relationship Capital during the year under review.

(2) Management approach to managing Social and Relationship Capital.

The Group places emphasis on identifying, measuring and managing its focus areas under Social and Relationship Capital through policies and processes which enable the Group to function responsibly, whilst being mindful of all stakeholders and leveraging opportunities to create shared value.

Focus Areas

Customer Relations and Product Responsibility	*Page 100*
Supply Chain Management	*Page 101*
Social Responsibility and Corporate Citizenship	*Page 102*
Knowledge Sharing and Policy Dialogues	*Page 106*

Standards and Certifications

Demonstrating a strong commitment to social sustainability, the Group's businesses adhere to recognised standards such as ISO 9001:2015 for quality management, ISO 22000:2018 for food safety management, GMP for safe production practices, and TourCert and Travelife for responsible tourism, reflecting a consistent focus on ethical practices, safety, and community well-being across operations.

Key Highlights

Social Responsibility*

Education

- Through the John Keells English Language Scholarship Programme, and Skill into Progress (SKIP), 963 students across 24 locations enhanced their English communication and career skills while under English for Teens, IT skills were also developed.
- 250 university students were provided with practical career skills, through Soft Skills Workshops, including employer expectations by industry leaders, and interactive sessions on personality development, personal grooming, social etiquette, CV writing and interview-facing techniques.
- 133 students received Higher Education Scholarships to pursue Advanced Level and university education.
- 115 students gained career awareness and guidance for their future educational and career paths.
- Under Transportation Sector's 19-year partnership with the Department of Transport Management & Logistics Engineering of the University of Moratuwa, 109 students were provided need and merit-based scholarships, the English language immersion camp, and opportunities for mentorship and placement.
- Walkers Tours partnered with Sabaragamuwa University to establish Sri Lanka's first Destination Management Company - university incubation centre, delivering practical training for students.

Community and Livelihoods

- 219 small scale entrepreneurs increased their skills, market access and income through John Keells Praja Shakthi livelihood initiatives.
- Through Kala Pola (open air art fair) and the Sri Lankan Art Gallery, 2,000 artists showcased their work, gaining greater exposure, expanding their networks, and enhancing income opportunities.

Social Health and Cohesion

- Through Project WAVE (Working Against Violence through Education), an estimated 984,799 individuals were empowered with awareness and training on gender-based violence and child abuse prevention.
- Under JKF's Substance Abuse Prevention Project, 1,572 individuals, including teachers and key Government officers were sensitised on dangers of substance abuse and strategies to avoid it.
- 27,861 individuals were impacted by multiple initiatives fostering social cohesion, cultural dialogue, dispute resolution and Sri Lanka's creative industries.

Note: Above captures the key initiatives under the focus areas of the Group's Corporate Social Responsibility entity, John Keells Foundation. Initiatives under the 'Biodiversity' pillar are captured under the Natural Capital Review.

Awards and Accolades

- Hikka Tranz by Cinnamon was recognised for its commitment towards Corporate Social Responsibility at Green Industry Awards 2024, organised by Industrial Development Board and Ministry of Industries.
- Keells was awarded a Merit certificate under the 'Best Projects – Sustainability' Awards category for the preschool meal programme, at the Best Corporate Citizen Awards 2024.

Key Risks Associated with Social and Relationship Capital

- Regulatory environment
- Environment, health & safety
- Reputation and brand image
- Supply chain risks
- Information technology risks
- Implementation and time challenges due to bureaucracy

Refer Outlooks and Risks

CUSTOMER RELATIONS AND PRODUCT RESPONSIBILITY

Maintaining strong relationships with clients, the market, and society is fundamental to the Group's success. The Group's commitment to ethics and independence is essential in fostering trust and ensuring the long term sustainability of the business. Given the Group's extensive and diverse customer base, it is imperative to cultivate robust relationships with existing clients while simultaneously establishing new ones. This approach not only aligns with customer expectations but also enables the Group to adapt to shifting market dynamics. Engaging stakeholders through satisfaction surveys and feedback channels further enhances these relationships by promoting direct communication, identifying areas for improvement, and reinforcing trust with both longstanding and new clients. The Group's dedication to delivering exceptional products and services is evidenced by the numerous awards, recognitions, and certifications it has received across various sectors.

- The Group offers products and services that meet high quality and safety standards, prioritising customer health & safety, while ensuring compliance with local regulations. No instances of non-compliance with health & safety regulations were identified during the reporting period.
- The Group complies with the International Chamber of Commerce Code of Advertising and Marketing Communication for all its products and services.
- The Group meets all product labelling requirements as mandated by relevant laws and regulations in its operating countries.

Refer the Industry Group Review for product related information – page 158

Product Labelling and Responsible Communication

The Group ensures that 100% of the products manufactured or directly controlled are fully assessed for regulatory compliance.

Consumer Foods industry group

Of the 382 stock keeping units (SKUs) manufactured:

- 100% carried information on the ingredients used.
- 11% carried details on the raw materials sourced.
- 77% carried information on safe usage.
- 96% addressed responsible disposal of products.

Retail industry group

Of the 394 stock keeping units (SKUs) sourced by JMSL for own labelling:

- 64% carried information on the ingredients used.
- 1% carried details about the raw materials sourced.
- 46% carried information on safe usage.
- 97% addressed responsible disposal of products.

SUPPLY CHAIN MANAGEMENT

The Group is committed to building a diverse, responsible, and resilient supply chain by partnering with a broad range of suppliers including underrepresented supplier groups. The Group's transparent, impartial selection process integrates social, environmental, and financial criteria. Recognising the complexity of its supply network, the Group prioritises long term, value-aligned partnerships that promote sustainability.

- The Group's Supplier Code of Conduct continued to be consistently integrated into standard contracts for all sourced suppliers.
- The annual supplier newsletter focusing on Diversity, Equity, and Inclusion (DE&I) was distributed for the fifth consecutive year to promote a culture of inclusivity across the supply chain.
- Supplier forums were organised for 35 sourced suppliers, centred on the theme of 'Transition to Transparency : JKH SLFRS Adoption Journey', aimed at enhancing awareness of sustainability-related issues.
- During the year, supplier impact assessments were conducted for Group contracted suppliers and significant contractors identified by business units, covering environmental, health & safety, and social criteria. A total of 116 suppliers submitted self-declared impact assessments. No suppliers were identified as having significant actual or potential negative impacts.

Bee honey sourced through the beekeeping Project.

Agripreneurs of Keells Govidiri Programme.

Transportation		Outsourced vehicle fleets	Goods for warehouse storage and distributions	Maintenance, support services, and outsourced employees	Capital equipment					
Consumer Foods		Dairy	Poultry	Sugar	Glass bottle	Plastic packaging				
Retail	Supermarkets	Dry food products	Frozen and chilled products	Fresh meat	Vegetable and fruits	Beverages	Liquor and Tobacco	Household items	Third party tenants (within premises)	Outsourced service providers
	JKCG Auto	New energy vehicles	Charging stations							
Leisure	Cinnamon Hotels & Resorts	Food and beverage and amenities	Travel agents and travel websites	Casual employees						
	Destination Management	Hotels and other accommodation providers	Contracted retail stores	Freelance national guides	Jeeps and boats	Foreign travel agents and tour operators	Outsourced fleet			
Property	Property Development	Construction contractors	Architects and interior designers							
	RHL	Food, beverage and amenities	Travel agents and travel websites	Casual employees						
Financial Services		Reinsurance partners	Outsourced service providers	Bancassurance partners						
Other, including Information Technology and Plantation Services	Other and Information Technology	Strategic software partners	Expert skill/ knowledge partners	Outsourced operational functions	Outsourced support staff	Transportation providers				
	Plantation Services	Tea smallholder farmers	Tea plantations							

Industry group-wise highlights

Consumer Foods

- Ceylon Cold Stores PLC purchased produce valued at ~Rs.7.47 billion from local farmers during the year, thereby supporting livelihoods and enhancing the community's economic well-being.

Product	Total annual supply (kg)	Number of farmers
Cashew nuts	46,910	10,000
Chopped pumpkin preserve	78,050	25
Fresh milk	31,363,239	3,142
Ginger quantity	55,000	220
Groundnut	49,000	10
Kithul jaggery	21,000	1,000
Meat	3,304,052	2,530
Spices	40,926	2,500
Treacle	64,540	420
Vanilla	428	3,800

Retail

- Under the Keells Govidiri programme initiated by the Supermarket business, an average volume of 33.51 million, Kg of products, valued at ~Rs.7.45 billion, were sourced during 2024/25 through agripreneurs. Through this programme, the business strives to ensure consistency in production and availability of produce.
- Through a strategic partnership between the Supermarket business and the Asian Development Bank (ADB), an Environmental and Social Governance Action Plan has been developed to strengthen sustainable supply chain practices. This comprehensive plan provides a framework for mapping and evaluating key supply chain operations and ensures a structured approach to assessing risks and compliance, addressing critical environmental issues such as deforestation, biodiversity loss, waste generation, and animal welfare, as well as social concerns such as child labour, forced labour, working conditions, and health & safety standards.

Leisure

- Cinnamon Hotels & Resorts launched Cinnamon Supplier Impact Assessments, an annual initiative to evaluate the environmental and social footprint of suppliers and their impact on scope 3 emissions, with the aim of assessing 100% of its suppliers by CY2030. This will also be utilised to identify small vendors and suppliers who need targeted support.

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Number of suppliers assessed through the Cinnamon Supplier Impact Assessments

77% of Food Suppliers

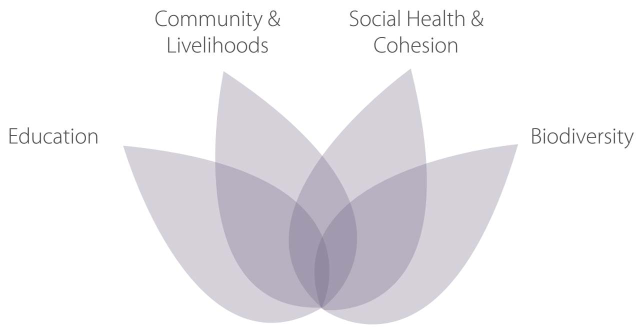
Number of suppliers assessed from the Health, Safety and Environmental (HSE) Impact Assessments

- Under the Safe Farm to Fork initiative, small to medium-sized enterprises (SMEs), including women-led businesses, were empowered to deliver safe, high-quality food to consumers. This was achieved through third-party supplier audits, comprehensive food safety training, and ongoing support.

SOCIAL RESPONSIBILITY AND CORPORATE CITIZENSHIP

John Keells Foundation (JKF), the Group's CSR entity, reclassified its focus areas under four pillars, namely Education, Community and Livelihoods, Social Health and Cohesion, and Biodiversity, following an ongoing assessment of CSR strategies, best practice adopted by regional conglomerates, and current needs and trends. JKF continues to address critical social, economic, and environmental challenges in Sri Lanka through these redefined focus areas, which extend beyond financial assistance, aiming to foster long term partnerships, empower individuals, and support sustainable development in our communities.

Programmes under the above focus areas range from equipping children, youth, and women-led SMEs with essential skills for higher education and career advancement, to enabling market access and sustained income generation, promoting Sri Lanka's creative industries, enhancing social cohesion, and conserving natural ecosystems.



Milestone

During the reporting year, JKF commemorated the important milestone of 20 years since its formal incorporation on 28 March 2005, as one of the first dedicated CSR entities in Sri Lanka.

In addition to initiatives led by JKF, funded by the Group's commitment of 1% of PAT, all sectors across the Group contribute to and actively participate in community engagement and development efforts. Each operation either directly implements CSR initiatives aligned with the Group's focus areas and/or supports centrally coordinated programmes through JKF, ensuring 100% of the Group's sectors are engaged in local community programmes. Key initiatives implemented by the respective businesses, aimed at strengthening community relationships at the grassroot level, are also reported under the relevant focus areas.

Staff volunteerism is a fundamental component of our CSR. Over 1,000 volunteer opportunities are made available by JKF annually ranging from project championship and Sector coordination, to skill-based volunteerism, field-based and administrative activities. This widespread engagement supports JKF's lean team of four dedicated staff, while catalysing community engagement, team spirit and positive energy among staff volunteers from across the Group.

For a detailed discussion on JKF and its projects, refer: [https://www.johnkeellsfoundation.com/]

Education

Empowering the employability and entrepreneurship of children and youth through improved access to educational opportunities and resources remains at the core of the Group's education initiatives.

Empowered the lives of
5,977 students in 2024/25

English Language Scholarship Programme (ELSP) and University of Moratuwa Transport and Logistics Degree Programme Support

Under these programmes, English and soft skills training are provided for eligible school children and undergraduates respectively. The tailored approach ensures that school children from disadvantaged schools receive foundational learning which includes Information Technology, while university students benefit from need and merit based scholarships, customised total immersion in English and structured mentoring by industry personnel designed to enhance practical communication skills, confidence and career readiness.

In 2024/25, the ELSP programme marked the milestone of 20 years recording an overall project impact of over 20,000 children, while the Transportation sector commemorated 19 years of its sustained partnership with the University of Moratuwa which includes scholarships, mentoring, internships and industrial placements.

Higher Education Scholarship Scheme and Career Guidance Programme

This scheme, which provides need-based grants to disadvantaged advance level and university students from communities around the Group's business locations, supported 133 students in 2024/25.

JKF's Career Guidance Programme, aimed at youth aged 17 to 22, which builds career awareness and readiness through skills development and exposure, was conducted for 115 students from the Praja Shakthi community in Ja-Ela in 2024/25.

University Soft Skills programme

JKF's University Soft Skills programme equips undergraduates of State and semi-State universities with practical knowledge, career skills, and exposure, to private sector and entrepreneurial opportunities. In 2024/25, 250 students from the University of Moratuwa benefited from this programme.

Students at a soft skills workshop.

John Keells Praja Shakthi Schools

- **Habarana:** The three-phase teacher training programme conducted for educators from five schools included training to lead sessions on child protection, combatting gender-based violence, and substance abuse prevention.
- **Nithulemada:** Construction of a model pre-school commenced with the aim of enhancing access to early education and fostering social cohesion of the community.
- **Colombo 2:** JKF and ChildFund Lanka initiated a collaboration to enhance mental well-being of school children.
- **Moratuwa:** A needs assessment on education was carried out in five schools to identify challenges and explore practical interventions.

Industry group-wise initiatives

Leisure

- The Leisure industry group facilitated study tours for students as part of their academic requirements and also continued to offer paid internship opportunities.
- Cinnamon Grand Colombo launched Athwalak an initiative to empower senior students to overcome social challenges and discover their skills, through motivational sessions, skill building workshops, among others.
- Cinnamon Lakeside Colombo continued its support for 190 children through the Pasal Diriya School Meal Programme, launched in 2022 as a crisis response initiative in collaboration with the Ministry of Education, to provide meals to school children not covered under the Government programme.
- The Cinnamon Complex in Habarana, together with JKF, constructed a Reverse Osmosis (RO) plant to provide clean water to Namalpura Maha Vidyalaya, benefiting both students and the surrounding village community.
- Walkers Tours launched a partnership with the Department of Tourism Management at Sabaragamuwa University, creating Sri Lanka's first incubation centre in collaboration with a Destination Management Company, to deliver practical training in inbound tourism.

Retail

- During the reporting year, the retail sector launched a pilot of the Skill into Progress (SKIP) English language programme for school leavers in Nugegoda and Moratuwa, benefiting 71 individuals.
- Over 40 students have received training at the Supermarket business, equipping them for future employment.
- The Supermarket business also continued its School Meal Programme, delivering 204,290 meals to 1,883 children across 34 locations and establishing 34 community gardens.

Community and Livelihoods

Empowering self-reliant communities through sustainable livelihoods, enabling ecosystems and essential infrastructure is the fundamental objective of the Group's community and livelihood initiatives. By collaborating with various stakeholders, the Group creates enhanced opportunities for entrepreneurship, particularly for women, fostering long term economic resilience.

Empowered the lives of
813,917 individuals in 2024/25

John Keells Praja Shakthi Initiatives

JKF's John Keells Praja Shakthi continued its endeavours to identify and empower communities around selected business locations, creating shared value and building mutually beneficial stakeholder relationships with the respective Group businesses.

In Ja-Ela in partnership with the Ja-Ela Divisional Secretariat and Keells Food Products PLC (KFP)

Initiative

Development of mushroom farmers in line with market demand while promoting sustainable income generation and growth of local small scale entrepreneurs, primarily women.

Impact

Sustained support for 20 mushroom farmers, directly benefiting 95 individuals, with additional indirect benefits to suppliers, buyers, and the wider community. KFP supported product enhancement.

In Hikkaduwa together with Hikka Tranz by Cinnamon

Initiative

Upskilling of Batik artisans

Impact

Five artisans were empowered, directly benefiting 25 individuals. 14 pop-up sales were facilitated at the hotel during the reporting year.

In Habarana together with Ruk Rakaganno and the Cinnamon Habarana Complex

Initiative

Development of Beekeepers

Impact

15 beekeepers were supported, directly benefiting 72 individuals.

In Ranala together with Ceylon Cold Stores PLC

Initiative

Upskilling female entrepreneurs in producing paper-based products

Impact

24 entrepreneurs from the Ranliya Women's Society and an additional 49 female SME entrepreneurs supported through financial literacy awareness.

In Horivila together with Cinnamon Habarana Complex, Cinnamon Nature Trails and Walkers Tours

Initiative

Community based tourism initiatives to enhance economic opportunities of the villagers while propagating knowledge, experience and products relating to hela vedakama

Impact

The canoe operation initiated via the fisher society of the village was further supported with the provision of life vests. A phased plan to promote hela vedakama has been discussed with the native physician and village community and is under development.

In Jaffna, Mahavilachchiya and Seenigama together with Infomate (Private) Limited and FARO

Initiative

Rural BPO Project - a pioneering initiative in Sri Lanka initiated in 2007

Impact

A total of 33 associates (predominantly young women) were engaged in sustained work outsourced by Infomate during the year, carried out from within their own localities.

Kala Pola and Sri Lankan Art Gallery

Sri Lanka's premier open-air art fair, held for the 32nd year in partnership with the George Keyt Foundation, showcased a wide variety of visual art by a record 394 registered artists and attracted thousands of local and international visitors. The event fostered market opportunities and exposure for artists, complemented by features such as art talks, live art sessions and interactive workshops for children and youth. The Sri Lankan Art Gallery - a free online platform hosted by JKF - continued to showcase the works of artists and sculptors, facilitating a year-round reach beyond Kala Pola.

Industry Group-wise initiatives

Leisure

- The Home Gardening Project initiated during the economic crisis in households around Cinnamon Bentota Beach, Cinnamon Bey Beruwala, Cinnamon Citadel Kandy, Cinnamon Wild Yala, and Hikka Tranz by Cinnamon in collaboration with JKF continued to benefit 336 individuals while promoting self-sustainability.
- Cinnamon Bentota Beach and Cinnamon Citadel Kandy supported beekeeping projects providing local villagers with beekeeping opportunities, while Cinnamon Bentota Beach supported local craftsmanship by facilitating local community members market opportunities at the hotel.
- Trinco Blu by Cinnamon collaborated with the Palmyra Development Board to support female entrepreneurs and reduce food waste.
- Cinnamon Hotels & Resorts in Sri Lanka and Maldives continued to drive community health and upliftment through nutrition programmes for children, donations and awareness sessions on child nutrition and breast cancer, as well as blood donation drives, mental health training, free eye checkups for staff, and support for inclusive arts, reflecting a holistic approach to community well-being.
- Walkers Tours trained 250 chauffeur guides in sustainable and responsible tourism, ensuring maintenance of high service standards while protecting the environment. Comprehensive audits were conducted for 85 jeeps, 4 boats, 5 cycles, and 10 hiking routes across key regions including Yala, Udawalawe, Kumana, Wasgamuwa, Maduru Oya, and Gal Oya. In addition, specialised training sessions were held in fire evacuation procedures, first aid, and advanced Chauffeur Guide skills.
- Walkers Tours also provided dedicated accommodation facilities for chauffeur guides under the 'Sandalla' initiative in Mattakkuliya, Habarana, and Kandy, ensuring their comfort and well-being during long journeys. To date, 955 nights have been offered in Kandy and 1,487 nights through the Sandalla initiative.

Plantations

- Tea Smallholder Factories Limited (TSFL) facilitated infrastructure improvements, providing transportation and materials for a road development project in Kondagulankanda-Dammala village, enhancing connectivity for 180 people.
- TSFL also responded to flood impacts by aiding 300 individuals with essential supplies, cleaning 72 wells benefiting more than 900 individuals, and supporting three blood donation drives with a total of 378 donors. It also extended contributions to cultural and religious initiatives, benefiting over 2,900 people.

Property

- The Group's 22-year public-private partnership with Sri Lanka Railways continued with John Keells Properties which undertook and funded various activities during the year to refurbish and maintain the historic Kompanna Vidiya (Slave Island) Railway Station as a sustained community service initiative under John Keells Praja Shakthi – Colombo 02, impacting over 480,000 commuters in 2024/25.

The iconic Kompanna Vidiya (Slave Island) railway station

Retail

- A total of 1,562 farmers including 163 women and 741 youth completed agricultural training facilitated by JMSL in partnership with the Asian Development Bank (ADB). Additionally, 100 farmers and farms have been registered across all collection centres of the Supermarket business, enhancing responsible sourcing and strengthening supply chain resilience. Support was also provided to three own-label suppliers to obtain the Good Manufacturing Practices (GMP) certification, further improving quality and compliance standards.

Social Health & Cohesion

Empowering a healthy and progressive Sri Lanka by combating social barriers, promoting dialogue, and supporting creative industries remains a cornerstone of the Group's social responsibility efforts.

Empowered the lives of
1,015,658 persons in 2024/25

Project WAVE (Working Against Violence through Education)

JKF continued its multi-faceted efforts to combat gender-based violence (GBV) and child abuse through awareness, training, and advocacy, with the aim of promoting a safe, inclusive society, by building, raising awareness, supporting systemic change and resource facilitation for law enforcement.

- Group-wide GBV awareness and refresher training sessions were integrated into the Group induction programme and ongoing training, reaching 3,877 staff in the FY2024/25.
- In line with JKF's campaign 'Stand Up, Speak Out, End the Cycle of Violence' for the International Day for the Elimination of Violence Against Women, 150 HR personnel of the Group received targeted training on policy implementation and employee support mechanisms. External outreach included public awareness through media campaigns and in collaboration with a leading telecommunications provider.
- In line with National Children's Day, awareness sessions on personal and cyber safety reached over 900 students and parents through collaborations with End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes (ECPAT) Sri Lanka, Power of Play, Cinnamon Hotels & Resorts, the National Child Protection Authority, and LEADS.
- JKF sponsored a crime investigation software tool for the Police Children and Women Bureau, towards enabling improved case handling processes together with specialised training.

Substance Abuse Prevention

JKF advanced its prevention efforts through targeted awareness and capacity-building initiatives for educators, parents, and Government officers. In collaboration with Humedica Lanka, awareness sessions were held for officers in Ranala and Moratuwa whilst a teacher training programme was also conducted for teachers of the Piliyandala Education Zone in collaboration with the National Dangerous Drugs Control Board.

Museum of Modern and Contemporary Art (MMCA)

With JKF's support, MMCA SL continued to shape Sri Lanka's cultural landscape through exhibitions like Total Landscaping, strategic and dialogue-driven workshops on conflict resolution, and public programmes reaching 22,087 individuals and capacity building by offering training and professional development for emerging art professionals.

Gratiaen Trust

JKF continued its primary sponsorship of the Gratiaen Trust, supporting Sri Lankan authors writing in English and translating literature across Sinhala and Tamil. The 31st Gratiaen Prize, the country's only award of its kind, attracted a record 68 submissions. The Trust's activities, including translation workshops for writers, a masterclass for the literary community, podcasts, and panel discussions, reached a total of 4,748 individuals.

Archival Project of the Chitrasena Vajira Dance Foundation

With the funding support of JKF, the Chitrasena Vajira Dance Foundation launched a web-based digital archive in March 2025, aimed at preserving the legacy of Guru Chitrasena and Guru Vajira through cataloguing and digitisation. This dynamic resource, accessible to teachers, students, and researchers, is expected to play a vital role in preserving and promoting Sri Lanka's cultural heritage and strengthening Sri Lanka's rich dance traditions.

Sunera Foundation

JKF continued its sponsorship of the Sunera Foundation's workshops in Dehiwala and Panadura, promoting artistic expression and social inclusion for differently-abled participants. Benefiting 97 children, the initiative fosters creativity, confidence and community integration, and has enabled select participants to access livelihood opportunities through performance.

Ceylon — Through the Eyes of Foreign Artists by Anura Saparamadu

In partnership with Cinnamon Life, JKF sponsored 100 copies of Ceylon — Through the Eyes of Foreign Artists by Anura Saparamadu, featuring works from 420 foreign artists over five centuries. This landmark publication supports the preservation and appreciation of Sri Lanka's visual history and artistic heritage.

HSBC Ceylon Literary and Art Festival Edition 2

JKF partnered the art segment of the HSBC Ceylon Literary and Art Festival Edition 2, showcasing 16 artists including four Kala Pola artist nominees at the Colombo Public Library. Engaging over 900 visitors overall, the event fostered cross-cultural dialogue.

Industry Group-wise initiatives

Financial Services

- Union Assurance launched Suwamaga, a national diabetes prevention initiative, screening 1,000 individuals in its first phase with a target of 20,000 beneficiaries across Sri Lanka.

Retail

- The Supermarket business marked International Men's Day with a Men's Health Camp benefiting 150 participants. Monthly mentorship sessions were conducted by cluster HR managers whilst a talent competition for employees' children was also conducted in commemoration of International Children's Day.

31st Gratiaen Shortlist Event.

CORPORATE CITIZENSHIP

The Group's role in society is shaped by both the services it provides and the way it engages with stakeholders. Core values such as ethics, integrity, accountability, and transparency guide its strategic direction, inform decision-making, and build stakeholder trust. Upholding these principles reinforces the Group's societal relevance and corporate responsibility.

KNOWLEDGE SHARING AND POLICY DIALOGUES

Given the Group's extensive operations across diverse industries, it is able to leverage a wealth of information that provides a comprehensive understanding of business dynamics. This knowledge is shared with the Group's stakeholders to inform and enrich discussions on complex issues. The Group acknowledges that collaboration is essential in fostering innovation and driving sustainable growth. A significant number of Group employees actively contribute to various organisations and associations across industries, fields, and societal interests. Through their involvement in boards, executive committees, and working groups, they both disseminate and acquire valuable insights, thereby supporting sustainable development for both the Group and society as a whole.

Membership Associations

Industry Groups	Membership Associations
Transportation	Airport and Aviation Private Limited
	Association of Licensed Bunker Operators of Sri Lanka (ALBOSL)
	Benelux membership
	Chartered Institute of Logistics and Transport (CILT)
	Civil Aviation Authority
	Greater Mekong Business Council
	Indo-Lanka Business Council
	International Air Transportation Agents Association (IATA)
	Singapore Sri Lanka Business Council
	Sri Lanka - American Business Council (AMCHAM)
	Sri Lanka Association of Airline representatives
	Sri Lanka - France Business Council
	Sri Lanka – Italy Business Council
	Sri Lanka -Malaysia Business Council
	Travel Agents Association of Sri Lanka
Consumer Foods	Ceylon Chamber of Commerce
	Employers' Federation of Ceylon (EFC)
	National Chamber of Commerce
	Export Development Board
	National Chamber of Exporters
	Lanka Confectionery Manufacturers Association
	Sri Lanka Association of Testing Laboratories
Retail	Chamber of Commerce - Import Association
	Institute of Supply Chain & Materials Management – Corporate Member
	Sri Lanka - Australia - New Zealand Business Council
	Sri Lanka Retailers Association
	Sri Lanka – Pakistan Business Council
Leisure	American Chamber of Commerce
	Benelux Business Council
	Bentota Beruwala Hotel Association
	Biodiversity Sri Lanka
	Britain Business Council
	Ceylon Hotel School Graduates Association
	Cultural Triangle Hoteliers Association
	China Business Council
	Delegation of German Industry of Commerce
	European Chamber of Commerce Sri Lanka
	European Network for Accessible Tourism
	Field Ornithology Group of Sri Lanka (FOGSL)
	Germany Business Council
	Italy Business Council
	Kandy Hoteliers Association
	Korean Business Council
	Nordic Business Council
	Pacific Asia Travel Association
	Russia Business Council
	SKAL International Colombo
	Sri Lanka Association of Inbound Tour Operators
	Sri Lanka Institute of Tourism and Hotel Management

Industry Groups	Membership Associations
Leisure	Sri Lanka Tourism Development Authority
	Sri Lanka Wellness Tourism Associate
	Swiss Circle Sri Lanka
	The Ceylon Chamber of Commerce
	The Employer's Federation of Ceylon
	The Hotels Association of Sri Lanka (THASL)
	Travel Trade Sports Club
	Travelife Partner
	TourCert member
	Wildlife Nature Protection Society
	Yala Hotel Association
Property	Chamber of Construction Industry of Sri Lanka
	Ceylon Chamber of Commerce
	Employers' Federation of Ceylon
	Condominium Developers Association
Financial Services	Colombo Stock Brokers Association
	Colombo Stock Exchange (CSE)
	Employees Federation of Ceylon
	Insurance Association of Sri Lanka(IASL)
	Insurance Regulatory Commission of Sri Lanka (IRCSL)
	Life Insurance and Market research Association
	Sri Lanka Insurance Institute (SLII)
	The Ceylon Chamber of Commerce
	Institute of Bankers of Sri Lanka (IBSL)
	Sri Lanka Institute of Marketing (SLIM)
Other, including Information Technology and Plantation Services	American Chamber of Commerce in Sri Lanka
	Ceylon Chamber of Commerce
	Colombo Tea Traders Association
	Colombo Stock Exchange
	Economic Policy Committee – Sub Committee (CCC)
	Employers Federation of Ceylon
	Federation of IT Industry Sri Lanka
	International Tea Committee
	Microsoft Gold Partner
	Nordic Business Council
	Planters' Association of Ceylon
	Salesforce Licensed Partner
	SAP Gold Partner Sri Lanka
	SAP Silver Partner Dubai
	Sri Lanka Association for Software Services Companies
	Sri Lanka Business Council – Dubai
	The Ceylon Chamber of Commerce Committee
	The Council for Business with Britain
	The Sri Lanka Institute of Directors Committee
	UN Global Compact
	World Economic Forum

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

MANAGEMENT APPROACH

Business Conduct and Ethics

The Group is committed to maintaining the highest ethical standards in all aspects of its business, ensuring that growth is driven by integrity and accountability. Guided by the Group's core values, ethical principles are embedded into every decision and interaction, fostering transparency and strong stakeholder relationships.

A robust framework of policies including the Group's Employee Code of Conduct and Supplier Code of Conduct, supports this commitment driving ethical business practices and regulatory compliance across all transactions. These measures extend beyond the organisation to the Group's value chain, reinforcing responsible and sustainable business conduct among customers, suppliers, and partners, amongst others.

Corruption and Bribery

The Group has a zero-tolerance policy for corruption and bribery in all its transactions. Each business unit within the Group is responsible for implementing robust procedures and processes to prevent and mitigate corruption risks. As part of their risk management framework, business units are required to continuously assess potential risks and establish proactive measures to safeguard ethical integrity. This structured approach ensures that ethical compliance is not just a policy but a fundamental part of daily operations.

Beyond internal practices, the Group upholds transparency and fairness throughout its value chain. By fostering open communication and mutually beneficial relationships, the Group emphasises the importance of ethical business conduct among all stakeholders. The Group's commitment to integrity extends to supplier network, where stringent selection criteria are enforced to ensure alignment with the values and ethical standards of the Group.

Human Rights

The Group is committed to upholding universal human rights across all operations and throughout its value chain, ensuring environments that are safe, fair, and inclusive. The Group maintains a zero-tolerance policy toward physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, or political affiliations. The equal opportunity policy is embedded in recruitment, promotions, and vacancy advertisements, reinforcing the Group's dedication to workplace inclusivity. As part of its commitment to social inclusion, the Group actively promotes the employment of persons with disabilities through its membership in the Employer Network on Disability of the Employer's Federation of Ceylon. The Policy on Child Labour provides guidance on the Group's stance on ensuring no person under the age of 18 (eighteen) years is employed within the Group.

To prevent forced and compulsory labour, all business units are educated on potential risks and required to uphold employees' rights to freely enter, remain, and terminate employment. Employees are protected from coercion, including the surrender of deposits or personal documents as a condition of employment. Additionally, overtime and variable pay structures adhere to legal and industry standards, ensuring fair compensation, with provisions for meals and transport where applicable. For employees undergoing specialised training, the Group ensures that contractual expectations are aligned with the value of the training provided, promoting fairness and transparency.

All employees are required to adhere to the Group's Code of Conduct, Anti-Fraud, and Anti-Sexual Harassment policies, with executive-level staff undergoing mandatory training via the learning management system. Anti-Corruption and human rights awareness is also extended to employees and agents across the Group.

The Group has established comprehensive policies to ensure that its value chain upholds similar standards. All supplier contracts include mandatory clauses requiring adherence to internationally recognised human rights principles, fair labour conditions, non-discrimination, the prohibition of child and forced labour, and anti-bribery practices. In addition, all suppliers are required to formally acknowledge and sign the Group's Supplier Code of Conduct, which reinforces these expectations. Group contracted suppliers are selected through a rigorous process conducted by independent category managers, a user group and neutral committee members. Ongoing compliance is monitored through audits and assessments, with any instances of non-compliance subject to corrective action. In cases of serious breaches, contractual termination and cessation of business relations may be enforced.

A structured grievance mechanism including Ombudsperson service and Chairperson Direct enables employees to report concerns confidentially. A comprehensive process is in place for addressing sexual harassment complaints, offering employees the option to seek resolution through an internal committee or independent oversight.

Community Relations and Empowerment

The Group, through its CSR entity JKF, remains committed to creating shared value and empowering communities through sustainable need-based initiatives impacting thousands of lives towards a brighter future, within the Group's Environmental, Social and Governance (ESG) framework.

Initiatives under each of the four focus areas are regularly evaluated and aligned with national priorities, the Sustainable Development Goals, and the principles of the UN Global Compact ensuring a cohesive, strategic and impactful response to key global development challenges, anchored in economic growth, social inclusion, and environmental stewardship.

How We Work

- **Our Businesses** actively engage in CSR by orchestrating ground support for stakeholder engagement and project activation, conducting monitoring and follow-up visits, and, in the case of John Keells Praja Shakthi locations, partnering our projects in the respective locations, enhancing the reach and effectiveness of our initiatives while building strategic community linkages.
- **Government:** JKF engages in identifying and targeting national priorities, working as relevant at central, provincial or local Government level collaboratively to enhance ecosystems, efficiencies and sustainability.
- **NGOs and Private Entities:** JKF forges strategic partnerships with like-minded NGOs, INGOs, Private Sector entities, and international agencies to leverage their networks, resource bases and technical expertise, enhancing the operationalisation, scale and impact of our projects, and fostering shared value and resource efficiencies as we collectively strive toward the unified goal of `Empowering the Nation for Tomorrow'.

Supply Chain Management

Supply Chain Management plays a pivotal role in the Group's operations. Recognising its substantial influence, the Group places a strong emphasis on integrating sustainability throughout its value chain. This is especially important given the vast network of business partners across various industries with whom the Group engages. By prioritising sustainability, the Group ensures that its procurement process is efficient, ethical, and aligned with both business objectives and global standards for environmental and social responsibility.

To uphold these commitments, the Group enforces strict compliance measures across its supplier network. Group's suppliers are required to operate in full compliance with local laws, rules, and regulations within the countries where they conduct business. This obligation is enforced through the Group's Supplier Code of Conduct, which is included in all legal contracts signed with significant suppliers and business partners. All Group level supplier contracts include the Group Supplier Code of Conduct, which includes amongst others, strict adherence to comply with applicable laws and regulations on anti-corruption. In the year under review, there were no instances of Group level contracts with supply chain partners being terminated or not renewed due to violations related to corruption.

In alignment with the strategic partnership of the Group with the Asian Development Bank (ADB), an environmental and social risk assessment on supplier management was developed for the Supermarket business. This action plan serves as a critical framework for supply chain mapping, evaluation of supply chain operations, risk assessments, policy developments and managing environmental and social risks within the supplier network. Aligned to this, additional clauses have been incorporated into supplier agreements and the Supplier Code of Conduct, to ensure compliance with the highest standards of environmental and social governance. Suppliers are required to adhere to these principles, ensuring that the supply chain operates responsibly and ethically at all levels.

Procurement is managed through a dual approach: a centralised model for common and high-value goods and services, and decentralised sourcing for business-specific needs. The Group Initiatives division is responsible for managing the procurement of shared products and services across the business units, ensuring a transparent, efficient, and fair selection process. To maintain the integrity of supplier selection each procurement category is overseen by a cross-functional team, and suppliers are chosen through a comprehensive tendering process that includes well-defined financial, operational, and legal terms. This ensures that the interests of both the Group and its suppliers are safeguarded.

The Group plans its supply chain function by identifying significant suppliers by type, the industry in which they operate and potential environmental and social impacts. These suppliers are evaluated based on their ability to influence the Group's operations, as well as the extent to which the Group can influence their practices. Significant suppliers were identified based on specific criteria including supplier dependency, potential environmental, labour and human rights risks and industry market structures and undergo an established group-wide impact assessment process, annually.

Operating across Sri Lanka and the Maldives, the supplier network includes a wide range of entities from public and private companies to individual service providers. The Group's diverse operations depend on suppliers for goods and services such as food and beverages, hotel supplies, IT, packaging, capital equipment, advertising, and insurance. Local suppliers are defined as those operating within Sri Lanka, where the Group is headquartered. Furthermore, significant locations of operation refer to the country in which the Group's headquarters of operations are based which is Sri Lanka and for select Leisure businesses in the Maldives.

To strengthen supplier engagement, annual supplier fora are held for Group-sourced suppliers in Sri Lanka and key suppliers in the Maldives. These platforms are used to communicate the Group's sustainability agenda, Supplier Code of Conduct, and key initiatives, while encouraging suppliers to adopt their own sustainable practices—promoting a collaborative, responsible supply chain.

Customer Relations and Product Responsibility

The Group upholds strict regulatory compliance, ensuring customer satisfaction and excellence across local and international markets. With a strong emphasis on responsible labelling, marketing communication, and customer health & safety, the Group prioritises integrity in every aspect of its operations. Its robust quality management systems drive operational excellence, responsible marketing, and stringent health & safety protocols for both employees and customers.

The Group recognises the importance of keeping customers informed and engaged with relevant product information as identified by stakeholder engagements. It adheres to product labelling requirements specified in the Food Act No. 26 of 1980, the regulations contained in the Food Regulations 2005, 2014, 2016, 2019, the Consumer Affairs Authority Act No. 9 of 2003 and complies with the Environmental (Plastic Material Identification Standards) Regulations No.1 of 2021 for all its products and services. The Group's compliance with certifications such as ISO 14001: 2015, ISO 22000: 2018, and ISO 45001: 2018 further reflects its strong commitment to quality and industry best practice. The organisation proactively adopts both international and local standards on a voluntary basis and obtains recognised external certifications. This approach not only reinforces credibility but also enables benchmarking of internal processes against national and global best practice. As a result, 100% of the Group's significant product and service categories were assessed for health & safety impacts with a view to continuous improvement during the reporting period.

A special committee monitors and evaluates advertising campaigns for socially insensitive/unethical/irresponsible advertising against the guidelines and procedures laid down. Group companies closely monitor any incidences of product related fines or sanctions, setting a zero figure as their target whilst all companies are required to maintain lists of fines payable. During the reporting period, no fines were enforced for non-compliance with regulations. All Group products and services comply fully with market regulations, with none facing bans in any operating region.

As customer driven businesses, companies in the Consumer Foods, Retail and Leisure industry groups maintain dedicated channels to address any customer related grievances. Social media has increasingly become a significant means of communication and dedicated channels have been extended for the management of grievances on these platforms.

Engagement with Policymakers

The Group has a longstanding commitment to engaging with policymakers and the country's leadership through various committees of the Chamber and other forums. This engagement is conducted with a focus on the broader interests of the economy and the business environment, rather than the interests of any single company. By participating actively in these discussions, the Group aims to contribute to the development of policies that foster growth and sustainability for all stakeholders.

Key Policies

Products and Services Policy

The Group strives to maintain products and services at the highest standards by embracing best practice and complying with all relevant local and international regulatory requirements in the markets it serves. The Group strives to identify and assess environmental and social impact through communications, service, operations and supply chain of its products and services.

Policy on Social Responsibility

The Group believes in meaningfully enriching the lives of communities of which it is an integral part. The Group abides by the values of 'Caring, Trust and Integrity' by ensuring that the Group's actions demonstrate its commitment to and respect for all stakeholders, including the communities and the environment in which the Group businesses operate.

Policy on Conduct and Business Ethics, which includes the Supplier Code of Conduct

These policies require compliance with all applicable laws and regulations in Sri Lanka and, for suppliers operating outside Sri Lanka, the relevant laws of their respective countries, including labour regulations and human rights standards. They also mandate conducting operations ethically and in adherence to applicable environmental laws, supporting a precautionary approach to environmental matters. Both the Supplier Code of Conduct and the Employee Code of Conduct are encompassed within these policies.

Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing, and Sanctions

The Policy outlines the principles and procedures that the Group will adopt to prevent, detect, and address bribery, corruption, fraud, facilitation payments, money laundering, terrorism financing, proliferation financing and sanction violations within the organisation and its business dealings. It sets up systems to prevent, detect, and mitigate risks, with clear procedures for due diligence, reporting, record-keeping, and compliance with legal requirements.

Corporate Disclosures and Relations with Shareholders and Investors

This policy ensures that the Group makes timely, accurate, and comprehensive disclosures of material information - both financial and non-financial – in accordance with regulatory requirements, through annual reports, press releases, and corporate website updates. The policy also outlines the Group's approach to shareholder relations, including annual general meetings and investor engagement.

INTELLECTUAL CAPITAL REVIEW

"The Group's Intellectual Capital stands as a distinct competitive advantage enabling the business to adapt and thrive in a continuously evolving and challenging corporate landscape. It also enables the Group to achieve sustainable value creation, by enhancing the Group's productivity, innovation, competitive advantage, earning potential and long term sustainability."

Key Highlights

- Following the success of the use cases that were deployed, particularly in the Supermarkets, Confectionery and Beverages businesses, a roadmap for advanced analytics use cases were developed for the Transportation industry group.
- OCTAVE initiated commercial engagements to provide advanced analytics services to external customers, which includes clients in the United Kingdom.
- JKR licensed a sustainable technology to regenerate industrial chemicals used in the quality assurance process of rubber products, enabling waste reduction and effective resource repurposing.
- JKR developed a novel plant-based protein recipe to be used in the Convenience Foods business.
- JKR entered into two separate technology licensing agreements for its proprietary Silmetic® (a technology that involves a nano silver synthesised as a stable suspension with antibacterial properties) —for manufacturing and sale as an antibacterial additive, and for integration into disposable foot insoles.

The Group has identified the following focus areas as material in developing the Intellectual Capital base of the Group.

Focus Areas

Key Risks Associated with Intellectual Capital

- Regulatory environment, including protectionism
- Global competition
- Reputation and brand image
- Information technology risks
  - Digital oversight and cyber threats
  - Speed of technological change
  - Data protection, information management and adoption

Refer Group Outlook and Risks

Standards and Certifications

The Group's pursuit of operational excellence is demonstrated through its compliance with a range of standards and certifications, which are globally recognised. Responding to the needs of the multitude of stakeholders, the Group has compelled businesses, where relevant, to achieve stringent quality certifications such as ISO 35800, ISO27001, and ISO 9001:2015, thereby complementing and strengthening internal systems and processes.

DIGITISATION, DISRUPTION AND OPEN INNOVATION

The Group continues to advance in digital transformation by leveraging the potential of disruptive technologies and research and development. The transformation journey is multi-faceted, involving infrastructure upgrades, talent development, and cultivating a culture that embraces agility and innovation. Innovation and disruptive technology is not just a catalyst for growth and opportunity, but also pivotal in redefining competitive boundaries.

The Group takes a proactive stance in navigating the inherent uncertainty and challenges posed by disruptive technologies by ensuring appropriate safeguards are in place.

The Group's digitisation drive involves:

- Digitisation and innovation initiatives at each industry group and business unit level, which are industry and business specific.
  - The digitisation strategy is presented annually, at minimum, to the Group Executive Committee.
  - Various recognition channels, such as the annual Chairperson's Award for digitisation, are available to instil a culture of innovation and to encourage business units to pursue its digitisation strategy.

Refer the Industry Group Reviews for more details on product and process innovations.

- OCTAVE, the Data and Advanced Analytics Centre of Excellence of the Group, which functions as an independent advanced analytics practice, serving both Group companies and clients outside the Group.

John Keells X, the Group's start-up accelerator and open innovation programme, has resulted in the Group supporting many start-ups since its inception in 2016. While the Group has somewhat benefited from the open innovation model envisaged, the Group was of the view that innovation and partnerships driven and channelled directly by the businesses is better aligned with their business priorities and strategic direction. Therefore, the Group ceased operations of John Keells X during the year while ensuring continued support for the partnerships already in place.

OCTAVE, the Data and Advanced Analytics Centre of Excellence

- Many of the use cases that were developed, and pending pilot and rollout, were executed successfully as morefully detailed below. The development and deployment of bespoke end-to-end advanced analytics solutions are aimed at addressing specific key business challenges towards unlocking measured financial impact while galvanising the adoption of greater data-driven decision-making in the operations of the business.
- The assessment of actual benefit stemming from the rollout of use cases and the internal governance mechanisms of each of the use cases at the Group level is overseen by a Financial Impact Tracking (FIT) committee headed by the Deputy Chairperson / Group Finance Director. The FIT committee continued to monitor and track the progress of the actual versus plan financial and operational metrics of the businesses, and independently approved the use case for rollout based on pilot results. Progress thus far affirms that the evidence of material value measured during the pilot study of these use cases can be sustained at scale, upon rollout.
- The Group continued with the OCTAVE Advanced Analytics Academy which offers virtual and in-class room training, online courses and curated on-the-job learning for each cohort of roles linked to the advanced analytics transformation programme. To date, this programme counts over 440 participants that have completed training across eight batches.
- OCTAVE commenced providing advanced analytics services to external clients from Q3 2024/25 onwards, starting with clients based in the United Kingdom. Although at a nascent stage, the traction has been encouraging.

Overview of the Group's Use Cases:

- OCTAVE continued to develop and deploy advanced analytics use cases across the Retail, Consumer Foods, Leisure, Financial Services and Transportation industry groups.
- The macroeconomic stability that continued from 2023/24, helped the businesses scale and complete the rollout of several use cases, particularly in the Supermarket and Consumer Foods businesses.

	Focus Areas/Ongoing Use Cases	Key Developments
Group-level	• Development of a holistic understanding of customers within the Group and their interactions with the different consumer brands in the Group portfolio.	• Continued to onboard further business units across the Group.
Transportation	• The roadmap of advanced analytics use cases was developed for a business in the Transportation industry group.	• Initial preparatory work, which entailed the deployment of the requisite tech infrastructure and digitisation of required data sets, was completed. • The development and piloting of the first use case commenced.

	Focus Areas/Ongoing Use Cases	Key Developments
Consumer Foods	• Production and distribution efficiency - efficient resource use, identification of priority stock-keeping units and timely delivery. • Salesforce and discount effectiveness - higher sales volumes, outlet coverage, optimising outlet-wise trade schemes and improvement in profitability. • Optimisation of promotional spend in modern trade and general trade. • Distributor margin optimisation – higher distributor engagement and efficiency.	• Use cases developed and piloted for the Beverages business have been successfully deployed in optimising promotional spend as well as in augmenting production planning. • Use cases aimed at augmenting the efficiency of the distribution network of the Beverages and Confectionery businesses were successfully rolled out. These have now scaled up and captures most of the distribution network, accruing material financial and operational benefits to both businesses. The operational benefits, while harder to achieve, at times, has enabled a transformation of the 'ways of working' resulting in higher productivity.
Retail	• Optimisation of product mix and in-store operations – optimal usage of store space, efficient staff rostering and shelf item availability. • Supply chain efficiency – optimised inventory holdings and streamlined procurement processes. • Optimisation of pricing and promotions - improved sales and margins. • Marketing effectiveness – improved customer reach and efficient utilisation of resources.	• Use cases rolled out continued to make positive contributions across core aspects of the business value chain, with the value evident during initial pilots of the use cases being sustained at scale, post the complete rollout of the use cases. • These use cases have aided the business in driving healthy and sustainable margins while ensuring customers receive value for their money and more relevant information.
Leisure	• Leveraging advanced analytics to optimise energy usage and digital advertising spend and reduce wastage in F&B operations.	• As per the revised roadmap of advanced analytics use cases that was developed last year, pilots for the use cases identified were launched.
Financial Services (Insurance business)	• Utilising advanced analytics capabilities to enhance customer retention and improved agent productivity and operational efficiency.	• As per the revised roadmap of use cases that was developed last year, pilots for the earmarked use cases were deployed.

RESEARCH AND DEVELOPMENT

Research and Development (R&D) acts as a catalyst for innovation and progress, while Intellectual Property (IP) ensures the protection of these innovations. Together, they form the foundation for sustaining market relevance and fostering long term success. The Group fosters a culture of research and development through:

- R&D teams within business units, as applicable, that are dedicated to the continuous exploration and development of innovative products and solutions, designed to meet changing business demands.
  - For example, the R&D efforts in Beverages and Confectionery businesses have played a key role in delivering on the promise of choice, developing a broad portfolio of products that have evolved in line with consumer preferences.
  - In-house legal and financial expertise that helps businesses file for IP rights, safeguarding the Group's innovations.
- John Keells Research (JKR), the Group's R&D arm, adds value by developing innovative and efficient solutions to evolving business needs, whilst enhancing the Group's Intellectual Capital base through invention, innovation and IP.

Key Developments

- JKR developed an innovative process of regenerating an industrial chemical that is used in the quality assurance process of rubber products. The reuse of this chemical within the same testing process significantly reduces waste generation through effective resource repurposing and also ensures the sustainability of the process. Following this innovation, JKR entered into a technology transfer agreement with a global manufacturing company specialised in global safety solutions especially focusing on hand and body protection.
- Two of JKR's trademarks, the John Keells Research logo, JKR® and the Silmetic® were gazetted as registered trademarks in Sri Lanka.
- Entered into a licensing agreement with the Convenience Foods business for a novel method of preparing plant-based food products, offering nutritional value equivalent to that of white meats.

- JKR entered into a technology licensing agreement with a chemical manufacturing exporter, granting license to the methodology of manufacturing JKR's proprietary technology Silmetic® which is a stable and highly concentrated silver nanoparticles suspension that exhibits superior anti-bacterial activity. Once manufactured, Silmetic® will be sold to both JKR's and the manufacturer's clients as an anti-bacterial additive.
- A technology licensing agreement was entered with a local company, to license a methodology to incorporate JKR's proprietary technology Silmetic® into disposable foot insoles, which would reduce odour and increase hygiene by leveraging its anti-bacterial properties.

BRAND STEWARDSHIP

The Group continues to evolve its portfolio of brands through a focused brand strategy that aims to uphold relevance in a dynamic business landscape, whilst resonating with the core values of the Group. The Group is home to a wide array of brands that have earned recognition and credibility within their respective domains over the years - reflecting the commitment to quality, innovation and long term value creation. The brands connected to each of the industry groups are depicted below.

Transportation
- Transportation
- Ports and Shipping

Consumer Foods
- Beverages
- Confectionery
- Convenience Foods

Retail
- Supermarkets
- Office Automation
- New Energy Vehicles

Leisure
- Cinnamon Hotels & Resorts
- Destination Management
- Hotel Management

Property
- Property Development
- Property Management

Financial Services
- Insurance
- Banking
- Stockbroking

Other, including Information Technology and Plantation Services
- Information Technology
- Plantation Services
- Other (which also comprises of Centre Functions)

Note: Tea Smallholder Factories PLC was divested in April 2025. Refer the Other, incl. Information Technology and Plantation Services industry group review for further details. John Keells X, the Group's start-up accelerator and open innovation programme, was discontinued post evaluating its strategic fit within the broader portfolio of the Group.

Awards and Accolades

Key accolades received by John Keells Holdings PLC during the year under review:

- Ranked first as the 'Most Respected Entity' in Sri Lanka for the 19th year at the 20th annual edition of LMD's Most Respected Entities rankings. The rankings are based on the survey commissioned and conceptualised by LMD and conducted by NielsenIQ.
- JKH was placed first for the past four consecutive years in the Transparency in Corporate Reporting Assessment by Transparency International Sri Lanka (TISL), obtaining a 100% score for transparency in disclosure practices. During the period under review, the assessment was not conducted by TISL, and the most recent ranking remains in effect until a new assessment is carried out.
- Silver award for 'Best Investor Relations' at the Capital Market Awards 2024 organised by the CFA Society Sri Lanka.
- Ranked first in LMD Readers' Choice as 'Sri Lanka's Most Loved Corporate Brand for 2024'.

For the industry group specific awards, refer Industry Group Review Section.

TACIT KNOWLEDGE, SYSTEMS AND STANDARDS

Tacit Knowledge

- The Group's longstanding presence spanning over 150 years, has honed its competitive advantage through industry insights and specialised knowledge.
- The Group continues to shape and transform Sri Lanka and Sri Lankan lives through unmatched products and services and legendary local brands benchmarked to international standards, including Cinnamon Hotels & Resorts, Elephant House, Keells and Union Assurance, among a host of others. Landmark infrastructure projects, such as the South Asia Gateway Terminal at the Port of Colombo - the first private port terminal in Sri Lanka, have shaped Sri Lanka's regional positioning. Similarly, investments such as the City of Dreams Sri Lanka and the West Container Terminal build for the future and exemplify the Group's commitment to growth.
- This wealth of experience has immensely contributed to cultivating a distinctive Intellectual Capital base, enabling agility in navigating market shifts and fostering resilience amid uncertainty. The Group's operations have further enriched this, fostering cross-industry expertise and enabling successful initiatives to be replicated across the Group.

Systems and Processes

Effective information technology (IT) governance is crucial for nurturing the Group's Intellectual Capital base. By providing secure platforms for information exchange and decision-making, IT governance facilitates knowledge management, innovation, and collaboration. It promotes transparency, accountability, and compliance with regulatory standards, contributing to the Group's credibility and reputation. Through efficient resource utilisation and a culture of continuous improvement, IT governance enables the Group to maximise value creation, driving innovation, competitiveness, and long term growth.

Key Initiatives during the year.

- The Group conducted a comprehensive assessment on business's financial processes to identify opportunities to optimise its processes and simplify the transactional aspects of financial reporting while looking to enhance the strategic value of financial insights with the aim of driving financial and business transformation leveraging technology, including the use of artificial intelligence platforms to optimise reporting. The initial assessment identified over 200 areas of improvement which are currently being evaluated for implementation.
- Although the Supermarket and Insurance businesses are already on the latest platform, the core system of the Group will be migrated to S/4 Hana, the latest SAP database built on a single data structure and architecture, which enables faster and more informed decision-making, enhanced flexibility, improved cost efficiency, and proactive planning.
- The Group implemented measures to align its data governance practices with the Personal Data Protection Act No. 09 of 2022 (PDPA) through the designation of Data Protection Officers (DPOs), the establishment of a Data Governance Steering Committee and engagement of external consultants to conduct a gap analysis, evaluate and refine its technical, security, and organisational measures.
- A Forensic Data Analytics platform was implemented for automated transaction outlier detection, to monitor key financial data such as accounts payable, accounts receivable, the general ledger and other financial transactions.
- The Group launched a pilot for an advanced, data-driven Integrated Financial Risk Intelligence System to enhance financial governance, compliance oversight, and credit risk mitigation. It provides a uniform framework that combines credit risk modelling, concentration risk analysis, and regulatory compliance.
- The Group maintained a robust Business Continuity Management (BCM) framework; a process-driven approach designed to safeguard operational integrity, protect stakeholder interests, and align with globally recognised resilience standards such as ISO 22301:2019 and DRI best practice.

For further details refer the Corporate Governance Commentary: IT Governance. - Page 258 and System of Internal Control – Page 269

OUTLOOK AND RISKS

The section that ensues entails a discussion of the Group's approach to navigating through the socio-economic and socio-political landscape, as well as the way forward for the Group.

The discussion comprises three parts:

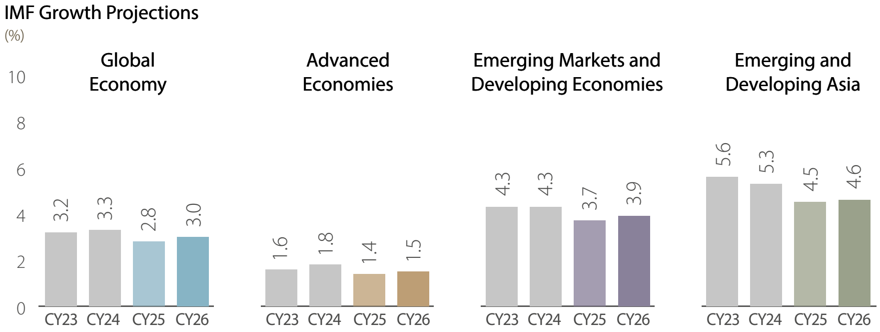
- Macroeconomic Outlook from both a global and local perspective.
- Group Outlook which discusses the Group's key strategic focus areas and the macroeconomic implications on the Group.
- Key Risks to the Group's outlook based on the risks identified as part of the Group's Enterprise Risk Management framework and its approach to managing such risks optimally.

MACROECONOMIC OUTLOOK

Global Context

The International Monetary Fund's (IMF) April 2025 World Economic Outlook projects global Gross Domestic Product (GDP) growth at 2.8%, a downward revision from the 3.3% forecasted in January 2025. This slowdown reflects the impact of escalating trade tensions and geopolitical uncertainties.

IMF Growth Projections



Source: World Economic Outlook April 2025, International Monetary Fund.

As per the IMF, global headline inflation is projected to decline from 5.8% in CY2024 to 4.3% in CY2025 and 3.6% in CY2026, supported by tighter monetary policy and easing supply chain constraints. Advanced economies are likely to converge faster to their inflation targets, while emerging markets and developing economies (EMDEs) may experience more persistent inflationary pressures due to currency volatility and structural supply-side inefficiencies.

The trajectory of global interest rates will depend on various economic conditions and Government policy responses. Central banks, including the United States (US) Federal Reserve, now face a delicate balancing act, as premature easing may undermine inflation expectations, while holding rates may dampen growth.

The US Dollar is projected to remain under pressure in CY2025, following a near 9% decline in the Dollar Index (DXY) since the start of the year, on the back of growing trade tensions, particularly the sweeping tariffs imposed by the US, as well as heightened fiscal uncertainty and shifting market sentiment regarding the US monetary policy.

Downside risks to the outlook include rising policy uncertainty, persistent geopolitical tensions, financial market volatility, ongoing supply chain disruptions, and escalating climate-related threats, all of which could undermine global stability and growth.

US Tariff Imposition

In April 2025, the US announced a sweeping tariff regime, introducing a 10% baseline tariff on all imports effective 5 April 2025, and reciprocal tariffs ranging from 11% to 50% on ~57 countries, including Sri Lanka, effective 9 April 2025. Whilst a few major trading partners, including China, initially responded with retaliatory tariffs, since then, a 90-day pause in tariff hikes has been agreed with ongoing negotiations aimed at de-escalating tensions and stabilising global trade dynamics. The IMF estimates a global GDP growth impact of ~0.4%, due to potential disruptions in trade, inflation, and business sentiment.

Sri Lanka was initially subject to the 10% baseline tariff and was subsequently assigned a 44% reciprocal tariff on select exports. Following diplomatic engagement, the US granted a 90-day grace period from 10 April 2025, during which the 44% rate has been temporarily suspended. Sri Lanka is currently in negotiation with the US.

The heavy reliance on apparel exports to the US heightens Sri Lanka's exposure in the event the reciprocal tariff comes into effect, due to the creation of a wider trade deficit and possible pressure on the currency, although there may be other mitigating circumstances. Rising and persistent trade tensions may weaken global consumption with a risk of a broader macroeconomic slowdown, potentially weighing on the Group's overall operations, while a slowdown in global trade could have a potential knock-on effect on volumes at South Asia Gateway Terminal and West Container Terminal at the Port of Colombo.

India-Pakistan Geopolitical Tensions

In May 2025, escalating military tensions between India and Pakistan raised concerns over regional stability. Although the direct macroeconomic impact has so far remained contained with the countries agreeing to ceasefire in early-May 2025, a re-emergence of tension and prolonged geopolitical uncertainty could erode investor confidence and dampen regional economic prospects, especially growth in the South Asian region and Sri Lanka.

Please note that the Report reflects global developments as at the date of this Report, with subsequent developments not covered herein.

Sri Lankan Context

The Sri Lankan economy witnessed a robust recovery in CY2024, recording a GDP growth of 5.0%, the highest since CY2017, outperforming the World Bank's projected growth of 4.4% for CY2024. This recovery was mainly supported by:

- Stable single-digit inflation, an accommodative interest rate environment, improved market sentiment, a rebound in tourism and political stability.
- Policy continuity and the ongoing implementation of the IMF's Extended Fund Facility (EFF) arrangement, which has anchored fiscal reforms and structural adjustments.
- The near completion of the sovereign debt restructuring process, which ended its debt standstill status and restored international credibility.
- The resultant upgrade of the sovereign credit ratings by two major international rating agencies, moving the country out of default status, thereby improving investor confidence and access to global capital markets.

Looking ahead, growth in CY2025 is expected to remain steady, supported by low inflation, stable interest and exchange rates, and continued pickup in domestic activity. The external sector is also expected to remain resilient, supported by trade and foreign remittances.

The section that ensues discusses the outlook for key macroeconomic indicators and its implications on the Group.

While global economic headwinds may pose challenges, proactive policy measures may mitigate potential adverse impacts. Continued commitment to structural reforms and adherence to the IMF-EFF programme are crucial for sustaining macroeconomic stability and growth.

GROUP OUTLOOK

Key risks, trends and opportunities relevant to the Group:

Risks

Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section of this Review for a detailed discussion.

Risk	Rating
Macroeconomic and political environment	High
Regulatory environment	High
Human resources and talent management	High
Information technology	High
Portfolio balance	High
Supply chain disruptions	Medium
Financial exposure, in particular exchange rate and interest rate volatility	Medium
Global competition	Low
Environment and health & safety, in particular climate risks	Low
Reputation and brand image	Low

Risk Rating:

● Ultra-High ● High ● Medium ● Low

Opportunities Horizon

- Expansion of Sri Lanka as a transportation and logistics hub, capitalising on its strategic location to drive long term transshipment growth and port-related income
- Tourist arrivals poised for exponential growth, particularly with the opening of City of Dreams Sri Lanka (CODSL)
- Emphasis on environmental, social and governance aspects across business operations
- Increasing demand for digital infrastructure and integration of artificial intelligence (AI) into business processes
- Increasing urbanisation and enhanced physical and digital connectivity
- Development of Colombo as a financial hub
- Growing demand for personalised and experience-driven product and service offerings
- Shift in consumer behaviour towards more energy-efficient and sustainable alternatives
- Rising prominence of data and advanced analytics in shaping strategic decision-making, driving efficiency and enabling a competitive edge

For a discussion of the outlook for each of the industries the Group operates in, refer:

- *Transportation – page 154*
- *Consumer Foods – page 166*
- *Retail – page 177*
- *Leisure – page 194*
- *Property – page 204*
- *Financial Services – page 211*
- *Other, including Information Technology and Plantation Services – page 220*

OUTLOOK AND RISKS

Improved macroeconomic and political stability has created a conducive platform for business growth. After a prolonged period of uncertainty, these developments reflect renewed investor confidence, stronger economic resilience, and a more promising outlook for long term recovery for the country. Given the Group's alignment with key growth sectors of the economy, it is well positioned to benefit from these positive developments.

The outlook for key macroeconomic variables and its implications on the Group going forward are outlined below:

Macroeconomic Indicators and Group Outlook

Macroeconomic Indicator	Macroeconomic Outlook	Group Outlook
Economic growth	Sri Lanka recorded a GDP growth of 5.0% driven by improving investor confidence, export recovery, and a rebound in consumption and tourism. Growth is expected to continue steadily in CY2025, supported by the reform momentum and domestic recovery. However, growth remains sensitive to external shocks including global trade disruptions, recession risks, and geopolitical tensions.	The Group will align capital allocation and operational priorities with the improving macroeconomic outlook, leveraging on the increased consumer and business activity to drive growth. Strategic focus will remain on agility, ensuring resilience in the face of global uncertainties that may impact Sri Lanka's growth trajectory.
Inflation	The Central Bank of Sri Lanka (CBSL) expects inflation, which declined sharply reaching deflationary levels towards the latter end of CY2024, to remain within a low single-digit range in mid-CY2025 and gradually converge towards the medium-term target of 5.0%.	The Group anticipates stability in input costs but remains cautious of global deflationary pressures. Maintaining pricing discipline and closely monitoring supplier contracts and foreign exchange exposures to manage margin risk, will be a key focus area, especially for the Consumer Foods industry group and Supermarket business. The Group will closely monitor electricity tariffs, especially given the proposed increase in June 2025, and will make necessary investments, to the extent possible and reduce the power and energy expense of the Group.
Interest rates	Domestic interest rates which declined materially from 2022/23, are expected to remain low in CY2025, in line with the easing observed in May 2025 where the CBSL reduced the Overnight Policy Rate (OPR) by 25 basis points to 7.75%. However, global uncertainties driven by tariff measures and recession risks may lead to cautious monetary policy stance, limiting further easing and adding volatility to capital flows.	The Group will continue to optimise its funding strategies in response to interest rate movements. Emphasis will be placed on locking in favourable borrowing terms, maintaining flexibility in facility structures, and monitoring both domestic and external interest rate trends.
Exchange rates	Sri Lanka's external sector remained resilient in 2023/24. The Sri Lankan Rupee also remained largely steady. The external sector is expected to broadly be stable but may face pressure if global trade tensions escalate or capital flows reverse. The trade deficit is expected to widen with the lifting of motor vehicle import restrictions, though this will likely be offset by strong foreign exchange inflows from tourism, services exports, and remittances. The consensus view for the exchange rate is within a maximum depreciation threshold of 5-8% from current levels, which will support the external sector, while not materially impacting the other segments of the economy, considering the exchange rate has already witnessed appreciation. Regulators have indicated that focus will be on building sufficient buffers to mitigate any potential external sector risks that could exert pressure on the balance of payments and exchange rates.	Foreign currency cash holdings will continue to be actively managed. The Group converts USD to LKR based on market views and will maintain buffers to absorb foreign exchange market volatility as needed.
Liquidity in financial system	The improvement witnessed in 2023/24 due to monetary easing and low credit growth is expected to continue but will be subject to pressure if capital inflows soften or if investor sentiment is affected by global shocks.	The Group will leverage local market liquidity to optimise the maturity profile of its debt portfolio and strengthen its funding resilience.

Macroeconomic Indicator	Macroeconomic Outlook	Group Outlook
Global trade/ commodity prices	Global trade saw moderate recovery in CY2024, despite commodity prices, including oil, remaining relatively subdued due to weak demand from key economies amidst stable supply. The World Bank expects global commodity prices to reduce going forward, with energy prices expected to decrease by 17% and brent oil prices to average USD 64 per barrel, a USD 17 decline against CY2024. Volatility may return in CY2025 due to protectionist policies and geoeconomic fragmentation. While soft demand may continue to suppress prices, shocks could trigger price volatility in fuel or key raw materials.	The Group is adopting a dynamic procurement approach, balancing cost control with supply assurance. Hedging strategies, where permissible and practical, and diversified sourcing are in place to cushion against input cost spikes and ensure business continuity.
Tourism	The momentum in arrivals on the back of increased global travel, improved air connectivity and regional sentiment, is expected to build in CY2025, supported by the increased prominence Sri Lanka is gathering as a tourism destination. Demand from South Asia, Middle East and Europe is expected to drive arrivals.	The Group's leisure portfolio is well positioned to capitalise on the growth. CODSL's gaming launch in August 2025 is expected to be a key growth catalyst for both revenue and forex earnings, with positive trickle-down effects across the wider leisure and tourism ecosystem resulting in higher occupancy across hotels, increased yields and greater demand for ancillary tourism services. *Refer Outlook of the Leisure industry group – page 194*

Note: The implications of the ongoing US tariff measures and India-Pakistan tensions on both Sri Lanka and the Group are discussed under the Global Context - Macroeconomic Outlook section above.

Given the favourable outlook for Sri Lanka and the broader region, the Group is well positioned to capitalise on emerging opportunities and is poised for sustained performance across its core businesses, as evident from the above.

The 2024/25 year marked the successful launch of transformative, large-scale projects, reinforcing the Group's commitment to long term value creation. These projects are expected to further accelerate the Group's growth trajectory in the coming years:

CODSL

- The operations of the Cinnamon Life hotel have been ramping up steadily since its launch in October 2024. The gaming and mall components which are scheduled to open in August 2025, are expected to be a major catalyst for foreign exchange generation, tourism growth, and entertainment-led revenue streams.
- In the immediate term, profitability of the project will be impacted by the significant depreciation and interest costs which were previously capitalised into the project cost. However, this is expected to be gradually offset by the increase in revenue and profitability once the operations of the Cinnamon Life hotel and the rest of components ramp up over the next few quarters.

Cinnamon Life at CODSL commenced operations in October 2025.

Refer the Leisure industry group: City of Dreams Sri Lanka section for further details – Page 188

West Container Terminal (WCT-1)

- Phase 1 operations of WCT-1 commenced its first phase of commercial operations in the fourth quarter of the financial year. Positioned as a logistics hub, WCT-1 is expected to enhance Sri Lanka's competitiveness by attracting transshipment volumes and strengthening the Port's role in regional trade.
- WCT-1 is treated as an equity accounted investee which records the Group's share of profit after tax. During the initial operational ramp-up period, the depreciation and amortisation expenses will be material considering the project cost of phase 1 which is estimated at ~USD 450 million.

WCT-1 commenced its first phase of commercial operations in Q4 2024/25.

Refer the Transportation industry group section for further details – Page 147

- Given the anticipated growth in regional container volumes and demand, the terminal could potentially achieve a cash-positive position within the first year of operations, subject to the impacts on regional and global trade dynamics. Similarly, as growth will accelerate quarter over quarter, it is expected that the run rate of volumes in the fourth quarter of 2025/26, if market dynamics remain, will enable earnings to be at a break-even stage.

John Keells CG Auto (Private) Limited (JKCG)

- JKCG witnessed strong traction even prior to the Government's decision to lift import restrictions on private vehicles in February 2025, supported by the brand and reputation which created customer confidence and which translated into a pipeline of pre-orders significantly higher than expected.
- However, it is noted that the initial demand reflects a certain element of pent-up consumer interest following a four-year restriction. Based on the current order book and expectations of deliveries in the ensuing quarter, the earnings potential is expected to be material, while long term prospects will hinge on broader market growth and competitive dynamics.
- Looking ahead, sustained growth will be supported by the diversification of the product range, expansion of the dealer and charger network, and continued investment in customer experience.

The first BYD showroom at Union Place, Colombo opened in August 2025.

Refer the Retail industry group section for further details – Page 170.

The Group continues to maintain a balanced core business portfolio, with diversified revenue sources and exposure to foreign currency earnings. However, recent capital-intensive projects have temporarily skewed capital employed, placing pressure on short term returns.

Refer the Strategy, Resource Allocation and Portfolio Management section for further details – Page 129.

Continual Advancements on Environmental, Social and Governance (ESG) Aspects

Globally, ESG frameworks are evolving towards a more business-friendly approach. In February 2025, the European Commission introduced the ESG Omnibus Package, simplifying reporting requirements, deferring certain obligations, and easing compliance for businesses. In contrast, ESG adoption in the US slowed, with growing political resistance, and fewer companies explicitly referencing ESG in disclosures i.e. greenhushing.

Amidst these developments, the Group remains committed to practical and effective ESG integration, aligned with evolving global standards and its long term value creation goals. The Group remains steadfast in its view that a strong ESG foundation is critical to building a sustainable, resilient, and future-ready business model. By fostering a 360-degree evaluation of performance, ESG integration supports value creation for all stakeholders—balancing economic, environmental, and social outcomes with robust governance.

Group's ESG Journey

The Group's ESG strategy is underpinned by strong integration of sustainability principles into all core management systems and decision-making processes, supported by a continuously evolving Sustainability Management Framework. This integrated approach enables the Group to address key environmental, social, and governance risks and opportunities, while aligning with emerging global standards and stakeholder expectations.

Looking ahead, the Group will continue to build on the comprehensive ESG roadmap developed during the year, with a clear distinction between medium-and long term goals across priority focus areas.

Refer to the Corporate Governance Commentary: Sustainability Governance for the Group's ambitions and goals – Page 264.

The Group has initiated a structured process to assess and align with the newly released IFRS Sustainability Disclosure Standards (IFRS S1 and S2) and their local equivalents, SLFRS S1 and S2, which came into effect from 1 January 2025. A roadmap has been set in motion to review existing disclosures, systems, and internal processes, ensuring that the Group is well positioned to comply with evolving climate-and sustainability-related financial reporting requirements.

Looking ahead, the Group will continue to:

- Refine and operationalise its ESG ambitions across short, medium, and long term horizons, adapting goals where necessary based on sector-specific findings and emerging risks.
- Monitor performance against established targets, with a focus on areas such as net-zero GHG emissions, water neutrality, plastic reduction, inclusive workforce development, and community impact.
- Embed ESG considerations in capital allocation, project evaluation, and procurement decisions, particularly within capital-intensive businesses.
- Engage with strategic partners such as the International Finance Corporation (IFC) and the Asian Development Bank (ADB), leveraging their expertise and guidance to further enhance ESG maturity across the Group.

Focus on Diversity, Equity and Inclusion

The Group recognises the importance of diversity, equity and inclusion (DE&I) and the role it plays in ensuring workplace respect, organisational success and sustainability for all stakeholders. In this regard, the Group is committed to providing a working environment where all employees, partners, suppliers and other stakeholders are included, their diversity is embraced and where their contributions are valued. Guided by the ONE JKH initiative, the Group will continue to focus on:

- Building a diverse workforce for the future through attraction and retention policies aimed at diverse categories of employees.
- Ensuring Group practices enable equitable and meritocratic opportunities to employees for recruitment, development and progression.
- Providing a safe working environment where employees and all stakeholders are treated with fairness and respect, free from discriminatory, exclusionary and/or harassing behaviours.
- Achieving gender parity in the long term, with clear interim goals for both workforce and leadership representation.
- Enhancing accessibility and inclusion for persons with disabilities (PWDs), including the establishment of representation targets.
- Institutionalising inclusive leadership practices and cascading DE&I training across all employee levels.
- Ensuring policy equity across all employee benefit structures, including for underrepresented and marginalised groups.
- Embedding DE&I into recruitment, supplier engagement, and community outreach, with a focus on economic empowerment and opportunity creation.

As of 31 March 2025, the Group achieved a 34% female workforce representation, up from 30% four years ago. While the Group has made progress and carried out significant groundwork to break role stereotypes and drive workforce participation, the Group acknowledges that it is unlikely to meet the original 40% goal by the end of 2025/26. This is primarily due to slower conversion in roles traditionally associated with gender-based stereotypes, higher attrition during the domestic macroeconomic crisis which necessitated urgent resourcing to maintain operational continuity and to a lesser extent, legal restrictions in certain industries that prohibit women from working in specific operational roles. Following a comprehensive review, the Group has revised this target to 2029/30 and remains committed to advancing female participation while upholding merit and equity, even if it requires more time.

Governance Outlook

The following governance-linked topics are captured under the Corporate Governance Commentary:

- Board Diversity
- Board Independence
- Anti-fraud, Anti-corruption and Anti-bribery
- Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects
- Continual Strengthening of Internal Controls
- Digital Oversight and Cyber Security
- Data Protection, Information Management and Adoption
- Greater Employee Involvement in Governance
- Need for Increased Transparency

Refer Corporate Governance: Governance Outlook and Emerging Challenges – page 272

Emphasis on the Group's Advanced Analytics and Transformation Journey

OCTAVE, the Data and Advanced Analytics Centre of Excellence of the Group, is expected to continue to galvanise the adoption of data-driven decision-making across operations, further advancing the Group's analytics transformation journey. Use cases rolled out are expected to continue its encouraging performance, positively contributing across core areas of the value chain. Further operational and financial benefits are anticipated to accrue from new use cases—some currently in pilot stages and others in advanced stages of development.

OCTAVE's commercial engagements outside the Group, which commenced in the third quarter of 2024/25, are also expected to grow, offering advanced analytics services across a range of industry verticals, with a predominant focus on serving overseas clients.

Managing Human Capital

Looking ahead, the Group remains firmly committed to creating an enabling environment that fosters employee engagement, development, and long term retention. Efforts will continue to centre on enhancing professional growth opportunities, maintaining competitive compensation and benefits, and nurturing a strong performance-driven and inclusive culture. Recognising that employee well-being is a key driver of productivity and loyalty, the Group will also expand holistic support programmes across physical, mental, and financial well-being.

Focused Liquidity Management and Portfolio Optimisation

The multiple challenges faced by the country and the Group since 2018/19 have demonstrated the need for organisations to be agile, nimble and well-prepared for any unforeseen circumstances. The Group will continue to evaluate its resilience under various stress-tested scenarios, as well as continue to follow the various processes, frameworks and measures undertaken in the previous years to ensure a sustainable and agile operating model, including weekly tracking of financial and non-financial indicators, use of spend control towers and stringent expense control measures.

With the major phases of capital expenditure on the Group's two large-scale projects now substantially complete, the focus will shift toward harnessing the returns from these investments and driving an improved return on capital employed. In this context, the Group will place increased emphasis on active portfolio management, evaluating performance across businesses to enhance capital efficiency and support long term value creation, while maintaining a strong balance sheet and prudent liquidity buffers in view of potential macroeconomic volatility.

Refer the Strategy, Resource Allocation and Portfolio Management section for further details – Page 129.

OUTLOOK AND RISKS

KEY RISKS

The emergence of strong macroeconomic fundamentals alongside a credible platform for sustained, broad-based growth marks a notable shift in the economic landscape of Sri Lanka. Whilst this is envisaged to generate significant prospects for both the country and the Group, as a measure of prudence, the Group will remain cautious due to external factors, particularly in areas such as the geopolitical risks and volatility which impact the country and the industries it operates in.

The Group has in place a comprehensive enterprise-wide risk management process that ensures a structured approach to risk identification and mitigation. This has enabled the Group to recognise various risks impacting performance and consciously put in place various mechanisms and mitigatory interventions to address any downside risks which impact the Group's outlook and may affect performance going forward.

Refer Corporate Governance Commentary: Integrated Risk Management for details of the enterprise risk management framework – page 257

Risk Trend Summary

Risk Title	Risk Trend	Risk Rating			
		2025/26 Q1	2024/25	2023/24	2022/23
Macroeconomic and Political Environment	↓	Low	High	High	Ultra-High
Regulatory Environment	↔	High	High	High	High
Financial Exposure	↔	Medium	Medium	Medium	Medium
Information Technology	↔	High	High	High	High
Global Competition	↔	Low	Low	Low	Low
Human Resources and Talent Management	↔	High	High	High	High
Environment and Health & Safety	↔	Low	Low	Low	Low
Reputation and Brand Image	↑	Medium	Low	Low	Low
Supply Chain Risk	↓	Low	Medium	Medium	High
Portfolio Balance*	↔	High	High	High	High

**While the Group has been internally monitoring portfolio balance and the capital skew arising from large-scale projects over the past years, this risk has been formally included in this year's Report to reflect the increasing impact of sectoral exposure and the temporary imbalances associated with such projects.*

Risk Rating

● Ultra-High ● High ● Medium ● Low

Macroeconomic and Political Environment

	2024/25	2023/24	2022/23
Risk Rating	● High	● High	● Ultra-High

Risk Overview: During 2024/25, the Sri Lankan economy displayed notable signs of recovery, including deflation from September 2024 onwards, a decline in interest rates, an appreciation of the Rupee, and a stable political environment following the elections. Despite these improvements, the Group maintained the macroeconomic and political environment risk at a 'High' level at the end of the financial year, primarily due to the nascent stage of the recovery and inherent structural vulnerabilities.

However, in the first quarter of 2025/26, this risk was downgraded to 'Low', reflecting increased confidence in the political and macroeconomic stability in the country. The outlook remains positive, underpinned by continued progress under the IMF-EFF programme. While the path to recovery remains narrow, with limited room for deviation from fiscal targets, the ongoing commitment to reform and consolidation has bolstered confidence in the local operating environment.

Further, the Group remains mindful of global geopolitical uncertainties, particularly evolving US tariff policies, which could impact global trade flows and, in turn, have indirect implications for the Sri Lankan economy.

Mitigation Strategy: Global and local economic and political trends are identified and analysed on an ongoing basis to understand potential impacts on the Group and implement necessary measures. The Group's senior management actively participates and plays significant roles in, key decision and policy shaping bodies, such as chambers of commerce, and consultative committees in support of the country's economic and development policies. The Group businesses also review and update their business resilience and scenario plans, taking into account potential changes in the external environment.

Capitals Impacted

- Financial and Manufactured Capital
- Human Capital
- Social and Relationship Capital

Related Material Topic

- Business conduct and ethics

Regulatory Environment

	2024/25	2023/24	2022/23
Risk Rating	● High	● High	● High

Risk Overview: Whilst the laws, regulations, frameworks and policies stemming from measures put in place to stabilise the economy remained in place, the Group continued to recognise the risk rating as 'High' given that certain policies such as labour and data privacy policies would have an impact on the industries in which the Group operates in remains to have a certain degree of uncertainty associated with the same.

Mitigation Strategy: The Group's senior executives actively participate in key industry chambers and associations which assist in building clarity and consistency in policies and regulations. The Group monitors regulatory and compliance requirements on an ongoing basis and has in place the necessary internal processes and structures to ensure the seamless adoption of new or revised legislation.

Capitals Impacted

Financial and Manufactured Capital

Natural Capital

Human Capital

Social and Relationship Capital

Intellectual Capital

Related Material Topic

- Business conduct and ethics
- Corporate governance

Financial Exposure

	2024/25	2023/24	2022/23
Risk Rating	● Medium	● Medium	● Medium

Risk Overview: The Group continued to manage financial risks through a structured and proactive approach, managed by the Corporate Finance and the Group Treasury functions under the direction of the Group Executive Committee (GEC) and supported by the finance functions of the individual businesses. Hedging mechanisms, liquidity management strategies, capital structuring, asset allocation limits, institutional exposure limits, dividend policy and other Board-approved strategies for interest rate, currency, counterparty and liquidity management were consistently applied across the Group.

The recent capital raisings by the Group since 2021/22, including the private placement of shares to the ADB, the issuance of convertible debentures to HWIC Asia Fund, and the Rights Issue in the third quarter of the year under review, have been undertaken with the aim of managing the Group's funding position and strengthening its balance sheet.

The key financial risks impacting the Group are outlined below.

Capitals Impacted

Financial and Manufactured Capital

Human Capital

Related Material Topic

- Business conduct and ethics
- Corporate governance

Interest Rate

	2024/25	2023/24	2022/23
Risk Rating	● Medium	● High	● Low

Risk Overview: The reduction in policy rates by the CBSL during the year and the lag effects of the steep policy rate reductions effected in the previous year, contributed to a notable decline in market interest rates, leading to an overall reduction in the cost of funds for the Group. While this was beneficial from a borrowing perspective, the declining interest rate environment introduced reinvestment risk, for the Group's short and medium-term liquid assets, particularly in the Insurance business.

In parallel, global interest rate volatility driven by evolving monetary policy stances of major central banks, especially the US Federal Reserve and its divergences against market expectations—continued to present an additional layer of uncertainty, necessitating close monitoring of global interest rate trends and their potential spillover effects on domestic markets. The dovish monetary policy stances adopted by the US Federal Reserve from September 2024 onwards contributed to a reduction in the cost of funds of foreign currency borrowings, similar to the LKR portfolio.

Mitigation Strategy: The Group will continue to mitigate interest rate risk by repricing its borrowing portfolio to reflect prevailing market conditions, actively refinancing high-cost facilities to benefit from the lower cost of funding and maintaining an appropriate mix of fixed, variable and hybrid interest rate debt. Excess liquidity is invested in short to medium-term instruments, aligned with projected cash flow requirements and risk-return objectives. The Group maintains interest rate swap agreements on a sizeable portion of its foreign currency borrowings to hedge exposure to global interest rate volatility. The remaining exposure is expected to be proactively managed based on the outlook for interest rates. The Group will continue to remain agile in its funding and investment decisions, maintaining a balance between yield optimisation, liquidity, and risk management across both the domestic and global interest rate landscape.

Currency / Exchange Rate

	2024/25	2023/24	2022/23
Risk Rating	● High	● High	● Ultra-high

Risk Overview: The Rupee remained broadly stable against the US Dollar in 2024/25, supported by improved foreign exchange liquidity, and a strong rebound in tourism receipts and worker remittances. The currency's relative strength was further underpinned by the successful completion of the Domestic Debt Optimisation (DDO) programme and good progress in negotiations related to the External Debt Restructuring (EDR). Sri Lanka's agreement in principle with its bilateral creditors on a debt treatment plan thereby reinforcing external confidence coupled with the significant headway towards macroeconomic stability and rerating, paved the way for a staff-level agreement to conclude the fourth review of the IMF-EFF programme in April 2025. Following approval from the IMF executive Board, Sri Lanka will gain access to ~USD 344 million in financing.

While these developments contributed to foreign exchange stability, the Rupee's appreciation posed translation risks for businesses with revenue models linked to US Dollar-denominated income streams. External uncertainties including US interest rate adjustments and geopolitical tensions and its impact on global trade and growth continue to pose some risks to the exchange rate outlook.

Mitigation Strategy: The Group will continue to adopt prudent measures, as and when required, to manage the financial impacts arising from currency fluctuations by matching liabilities with corresponding inflows and by adopting currency hedging strategies. At a Group level, the translation risk on foreign currency debt is largely hedged 'naturally' as a result of the conscious strategy of maintaining US Dollar cash balances at the Holding Company, whilst also ensuring obligations are managed through US Dollar-denominated revenue streams. Continuous monitoring of both domestic and global currency markets will continue to aid future hedging and capital allocation decisions.

Credit and Counterparty

	2024/25	2023/24	2022/23
Risk Rating	● Low	● Low	● Low

Mitigation Strategy: The Group will continue to engage only with reputable, creditworthy counterparties. All clients are subject to standardised credit verification procedures and, where applicable, required to submit performance bonds, bank guarantees, or counter guarantees. These arrangements are reviewed regularly to ensure adequacy and mitigate emerging credit risk. Concentration risk is addressed through pre-defined exposure thresholds, which are continuously monitored and updated.

Insights

Managing the Group's foreign currency exposure

Managing the Group's exposure to foreign currency fluctuations remains a key priority, particularly given that ~Rs.115.51 billion representing ~55% of total Group debt is currently denominated in foreign currency [2023/24: ~64%]. The Rupee appreciated marginally by ~1% point to point in 2024/25, supported by steady foreign inflows from worker remittances and tourism, as well as improved macroeconomic fundamentals. However, if not optimally managed, movements in the exchange rate may have material implications on the Group's financial position.

- Gross debt will record a movement, given the translation impact on outstanding of the USD 167 million long term loan at the Holding Company and the USD 207 million long term loan at Waterfront Properties (Private) Limited (WPL).
- Any translation impact on the USD 167 million long term loan is negated at a net debt level as the Holding Company maintains a net foreign currency cash position as at the date of the Report.
- The foreign currency cash holdings include the funds earmarked for the Group's investment pipeline, particularly CODSL.
- At a Group level, the foreign currency exposure is primarily on account of the USD 207 million long term loan at WPL and other foreign currency linked borrowings across the rest of the businesses, particularly within the Leisure industry. However, the translation risk is/will be largely hedged 'naturally' as a result of the conscious strategy of matching liabilities against foreign currency denominated assets and revenue streams, to the extent possible. The exposure at WPL will remain till such time operations fully ramp up at CODSL, whereas the Group already has a 'natural hedge' in its current operations in the rest of the Leisure portfolio.
- The Group will continue to manage its foreign currency portfolio and investment pipeline optimally, by matching liabilities against corresponding assets, where possible.

Liquidity

	2024/25	2023/24	2022/23
Risk Rating	● Low	● Low	● Low

Mitigation Strategy: The Group continues to prioritise maintaining a robust liquidity position, ensuring that available cash reserves and undrawn committed facilities are adequate to meet its short, medium, and long term funding requirements, as well as unforeseen obligations and emerging opportunities. Active and ongoing engagement between Group entities and banking partners facilitates the optimal utilisation of single borrower limits, enabling the efficient reallocation of underutilised facilities across the Group. The Group will also focus on expanding its network of financing institutions, as these endeavours would aid the Group in preparing for the more stringent single borrower limits, where full compliance is expected by end-CY2028.

At the Holding Company level, daily liquidity management practices include detailed cash flow forecasting and close alignment of asset and liability profiles to maintain a prudent balance between liquidity and earnings. The GEC periodically reviews the Holding Company's capacity to fund its five-year investment pipeline, with regular stress-testing exercises conducted to evaluate the Group's resilience under scenarios of macroeconomic stress or sharp declines in profitability.

Despite the macroeconomic challenges encountered in recent years, disciplined liquidity planning and proactive cost management have enabled the Group to preserve financial stability. The capital raisings since 2021/22 have also aided the Group in managing its liquidity position. The Group remains committed to maintaining adequate banking facilities and a strong liquidity buffer, while closely monitoring potential external risks that may impact funding access or funding requirements.

Information Technology (IT)

	2024/25	2023/24	2022/23
Risk Rating	● High	● High	● High

Risk Overview: Cybersecurity has remained a priority to ensure there is no negative impact on business operations and Group reputation, particularly with agile work arrangements more prevalent than in the past. Stakeholder and consumer demand for the availability and quality of online and digital tools for services and product offerings has continued in the post-pandemic environment, as expected. The automation of processes and increased use of technological solutions, while imperative from a productivity and customer-centric solutioning perspective, pose additional risks if not managed.

Given the highly sensitive and continually evolving nature of IT-related risks within the context of the current environment and the increasing dependency on digital data, the impact of a breach in information security or data privacy remains high. Accordingly, the risk has been maintained at 'High' acknowledging the potential repercussions and significance of this risk.

Mitigation Strategy: The Group's risk-based Zero Trust Cybersecurity Policy Framework continues to ensure that information accessed or processed, the devices and networks deployed, the workloads and applications used, and the services provided are secure and resilient. The policy framework sets out the minimum tools required, and the mandatory controls the organisation should possess. These tools and controls are designed to protect the Group from threat actors affecting the operations, detect the effectiveness of the controls implemented and respond and recover from malicious cyber activity across all operational environments.

The Policy Framework is based on the principles of continuous authentication, least privilege, assume breach, micro-segmentation, advanced encryption, endpoint security, automation and orchestration, visibility and analytics, and robust assurance, among other capabilities, to fortify identities, devices, networks, data, applications, and workloads, while also ensuring an efficient architecture to deliver services and cyber resiliency that enhances security, user experience, and overall performance.

The Policy Framework also enables the Group's business units and functional units to complement the Zero Trust Cybersecurity Policy Framework with necessary additional, business-specific policies and standard operating procedures (SOPs) to strengthen the security posture, which are approved by their respective Business Unit Boards, Board Audit Committees as well as the GEC. Audit reviews are undertaken to enable the businesses to make educated, conscious decisions with respect to full compliance with the policies while weighing other business implications.

This Policy Framework also provides the Group with the required governance, resilience and assurance to implement its digital transformation strategies whilst ensuring the required flexibility to evolve into a data-driven and digital-first organisation.

Refer Corporate Governance Commentary: Information Technology Governance for further details and initiatives during the year – page 258

Capitals Impacted

- Financial and Manufactured Capital
- Social and Relationship Capital

Related Material Topic

- Business conduct and ethics
- Corporate governance

Global Competition

	2024/25	2023/24	2022/23
Risk Rating	● Low	● Low	● Low

Risk Overview: The Group strives to be a leader in all industries in which it operates, and to this end, continues to improve and adhere to global best practice and frameworks required to maintain competitiveness. The positive investor sentiments following the recovery of the local economy is expected to attract increased foreign investments and thereby lead to an increase in healthy competition.

Mitigation Strategy: All businesses within the Group are expected to cultivate a global perspective, ensuring that operations, employees, and quality standards align with international benchmarks. The leadership teams consistently monitor the external environment to identify new opportunities and areas for improvement, while also acquiring the necessary expertise and knowledge for specific business areas. The Group established a Digitisation Steering Committee to explore disruptive and innovative technologies and inculcated this mindset within the businesses, which are now responsible for this initiative. The aim is to stay ahead of emerging technologies that can enhance stakeholder satisfaction, as well as boost internal productivity and efficiency. This mindset is deeply ingrained throughout the Group now, exemplified by the annual Chairperson's Award for Disruptive Innovation, which recognises businesses that best embody this ethos. Given these strategies in place, the risk remains as 'Low'.

Capitals Impacted

- Human Capital
- Intellectual Capital

Related Material Topic

- Business conduct and ethics

Human Resources and Talent Management

	2024/25	2023/24	2022/23
Risk Rating	High	High	High

Risk Overview: Although attrition, especially stemming from migration, stabilised to some extent during the year, the 'High' risk rating was kept unchanged, as increased efforts are still required for talent acquisition, training and development to fulfil the skill gaps created as a result of past attrition.

The Group follows a holistic strategy towards its employees and attempts to facilitate and support the employee lifecycle journey with continued investments catering towards aspects of employee attraction, development, retention and empowerment.

Mitigation Strategy: The Group's human capital strategy focuses on attracting, developing, and retaining talent, recognising it as a vital element in driving business growth, innovation, and long term value creation for stakeholders. It has implemented strong policies and internal systems to position itself as a preferred employer, offering employees ample opportunities for skill development and career progression. The realignment of competencies as Success Drivers is also expected to aid employees in developing skills that support both organisational success and personal career growth. The Group fosters a performance-driven culture, supported by comprehensive reward and recognition programmes. Employee engagement is a central aspect of its retention strategy, with regular internal surveys, platforms for interaction with senior leadership, and careful monitoring of talent attrition. Additionally, the Group has established various grievance mechanisms, maintains positive relationships with unions, and enforces policies on sexual harassment and non-discrimination.

Capitals Impacted

- Financial and Manufactured Capital
- Human Capital

Related Material Topic

- Talent attraction and retention
- Diversity and equal opportunity
- Occupational health & safety
- Business conduct and ethics
- Corporate governance

Environment and Health & Safety

	2024/25	2023/24	2022/23
Risk Rating	Low	Low	Low

Risk Overview: Providing a safe and healthy working environment for employees and partners and placing concerted efforts in minimising the Group's environmental impact remains a key priority for the Group across all its operations. As such, the Group maintains and reports on standards required of local and global corporates in alignment with the expectations of its key stakeholders.

Mitigation Strategy: The Group has implemented a wide range of environmental, health, and safety policies, including an ESG policy, supported by a well-established sustainability management framework that ensures environmental, and safety considerations are integrated into all business operations. Quarterly monitoring of key indicators such as energy consumption, emissions, water use, waste, effluents, injuries, and lost workdays ensures that the Group's businesses remain compliant with relevant laws and regulations while striving to exceed international standards. Businesses consistently align with global best practice through international certifications such as ISO 14001 for Environmental Management and ISO 45001 for Occupational Health & Safety, among others. Environmental and social objectives are embedded in performance expectations, and a culture of excellence is promoted through recognition programmes such as the Chairperson's Award for Sustainability.

Maintaining safe and healthy working conditions has always been a top priority for the Group. Health and safety policies are in place, with measures implemented across all functions and operations to manage related risks. These procedures are continuously reviewed and updated to address new developments and evolving workplace needs. While the risk is currently rated 'Low' due to the Group's strong commitment to safeguarding the health & safety of its internal and external stakeholders, it remains an area that will be closely monitored.

To proactively prepare for potential environmental and climate-related disruptions, the Group will continuously update its Business Continuity Plans (BCPs) whilst Disaster Recovery (DR) tests will also be conducted across businesses to evaluate the effectiveness of the current BCPs.

Risk due to Climate Change

Given that the Group operates in a region highly vulnerable to climate-related disasters, the Group recognises the importance of assessing how climate change may impact its operations, including instilling mitigative actions to minimise such risks. The Group is also mindful of the potential impact of its business operations on climate change and is proactively working to minimise such impacts.

Business units currently recognise 'impact of climate change' as a risk item and also build in any effect of climate change to its other relevant risk categories.

The Group is in the process of developing a Climate Change Mitigation Policy, with the assistance of external subject matter experts. Furthermore, the Group will be carrying out a climate scenario analysis on all of its business operations to assess physical risks due to climate change in the ensuing year.

Capitals Impacted

- Natural Capital
- Human Capital
- Social and Relationship Capital

Related Material Topic

- Greenhouse gas (GHG) emissions
- Waste management
- Water and wastewater management
- Corporate governance
- Occupational health & safety

Reputation and Brand Image

	2024/25	2023/24	2022/23
Risk Rating	Low	Low	Low

Risk Overview: Reputation and brand image are recognised as a critical aspect by the Group as it has a direct influence on stakeholder trust, customer loyalty, market positioning, and long term business success. As a result, the Group highly values its longstanding reputation as an ethical corporate, with a zero-tolerance policy for breaches in regulatory compliance or governance.

Mitigation Strategy: The Group enforces a stringent Code of Conduct that all businesses and employees are required to adhere to. This is strengthened through a robust governance framework that includes anti-corruption, anti-bribery and anti-money laundering policies, a whistle-blower process, an independent ombudsperson and a 'Chairperson Direct' communication line, amongst others. All businesses conduct risk assessments to identify significant risks related to corruption and address such risks through appropriate mitigative actions.

All marketing and public communications are vetted in line with the Group's policies on marketing and communications, and product quality standards are maintained through stringent quality assurance processes. The Group uses a variety of means of communication and aims to ensure that its brand presence is well-established and its reputation is maintained on emerging social media platforms.

In addition, the Group recognises the growing importance of environmental stewardship in protecting its reputation. Several businesses have adopted practices aligned with Extended Producer Responsibility (EPR), particularly in relation to plastic use and waste management. These initiatives are aimed at minimising the environmental footprint of products and packaging and promoting sustainable consumption and disposal practices.

The John Keells Foundation further reinforces the Group's reputation through its long running and numerous strategic corporate social responsibility activities, concentrated on the focus areas of, education, community and livelihoods, social health and cohesion, and biodiversity.

This risk is currently rated as 'Low' given the above mitigative actions in place.

Capitals Impacted

- Natural Capital
- Social and Relationship Capital
- Intellectual Capital

Related Material Topic

- Business conduct and ethics
- Corporate governance
- Risk management

Supply Chain Risk

	2024/25	2023/24	2022/23
Risk Rating	Medium	Medium	High

Risk Overview: The Group engages with a multitude of supply chain partners in its diversified operations and recognises these partnerships as a critical factor in the delivery of excellence to all its stakeholders. In the face of a dynamic and challenging business environment, the Group places a concerted effort on improving its supply chain resilience. During the year under review, the Group experienced an easing of supply chain pressures with enhanced mobility in global supply chains and the complete removal of trade restrictions previously imposed by the Sri Lankan Government. The developments on the US trade tariffs are not expected to have a significant impact on the supply chains relating to the businesses of the Group, although the other impacts and implications are as discussed elsewhere in this Report.

Mitigation Strategy: The Group has in place a comprehensive Supplier Code of Conduct, which sets out expectations of supplier performance with respect to key sustainability aspects, including environmental responsibility, ethical labour practices, anti-corruption requirements and regulatory and legal compliance. Continuous efforts are made by implementing various knowledge sharing and other initiatives in order to increase supply chain resilience. Strategies such as non-reliance on a single supplier for critical products, new supplier development and supplier engagement activities such as supplier fora and training continue to be carried out to aid knowledge transfer and sharing of best practice.

The Group has in place a robust and transparent supplier selection process for selected high-value items across the Group where all activities related to supplier sourcing are carried out by an established committee according to a defined process. This strategic sourcing initiative is supported by an online sourcing platform.

Supplier assessments and audits are carried out by the respective business compliance and procurement teams to identify suppliers in need of development. Additionally, supplier engagement activities such as supplier fora and training continue to be carried out to aid in knowledge transfer and sharing of best practice.

Capitals Impacted

- Financial and Manufactured Capital
- Social and Relationship Capital

Related Material Topic

- Business conduct and ethics
- Risk management
- Corporate governance

Portfolio Balance

	2024/25	2023/24	2022/23
Risk Rating	● High	● High	● High

Risk Overview: As a diversified business, the Group's performance is inherently influenced by the relative weighting of its businesses across different industries and sectors. Overexposure to individual sectors or industries can lead to portfolio imbalance and increased volatility, particularly during industry-specific downturns or through undue exposure to cyclical businesses or those in the early stages of their growth cycles.

While the Group has benefited from contributions across its portfolio at varying times, depending on each business's growth trajectory and alignment with macroeconomic trends, the development phase of large-scale projects may temporarily skew the overall portfolio composition and returns.

Mitigation Strategy: The Group mitigates the risk of performance volatility through active portfolio monitoring, disciplined capital allocation, and strategic diversification across business cycles. Regular reviews and a focus on balancing exposure between growth, mature, and non-cyclical businesses help ensure that the portfolio remains resilient and aligned with long term value creation goals.

Whilst the Group believes that the composition of its core business portfolio is reasonably balanced, supported by diverse revenue streams as well as the direct and indirect exposure to foreign currency denominated income streams, recent landmark undertaken by the Group, such as CODSL and WCT-1, have skewed the composition of capital employed exerting pressure on short term returns. These strategic choices, however, are catalysts for future growth and risk mitigation. Hence, the Group focuses on striking a balance between short term performance and long term value creation. Additionally, emphasis is also placed on optimising capital efficiency in capital intensive industry groups such as Leisure and Property, through strategies such as asset-light models for hotel expansions and the monetisation of its land bank.

Refer to the Strategy, Resource Allocation and Portfolio Management section for further details – Page 129

Capitals Impacted

Financial and Manufactured Capital

Related Material Topic

- Risk management

STRATEGY, RESOURCE ALLOCATION AND PORTFOLIO MANAGEMENT

The Strategy, Resource Allocation and Portfolio Management section provides detailed insights into how the Group's investment decisions are made by analysing the performance of the overall portfolio, evaluating the Group's strategic direction and determining capital allocation strategies.

The Group remains focused on identifying and pursuing growth opportunities that align with its medium to long term objectives and its vision of 'Building businesses that are leaders in the region'. Resource allocation is guided by a systematic approach that reflects the Group's core values and overall strategic direction.

The portfolio of the Group is continuously assessed to ensure alignment with key growth sectors of the economy, both current and futuristic. Capital is deployed with a focus on resilience, agility, relevance, and competitiveness, locally and internationally. The Group believes its existing portfolio, along with the investments in these core areas made in the recent years and planned investments, reinforces this strategy.

The Group is of the view that the fundamentals and potential of the industries the Group operates in, remain unchanged, as the demand drivers underpinning the business continue to be relevant. However, evolving market dynamics may necessitate changes to certain operating models in some areas. In response, the Group recognises the need to adopt digitisation, disruptive innovation, geographic diversification, and expansion to offshore revenue streams, in order to sustain growth and remain agile.

The Group believes that the balance in the composition of businesses of the core portfolio is appropriate given the diverse nature of revenue streams as well as the direct and indirect exposure to foreign currency denominated income streams through the Leisure, Ports and Shipping and Bunkering businesses.

The commencement of operations of the City of Dreams Sri Lanka integrated resort (CODSL) and the West Container Terminal (WCT-1) during the year marked a pivotal milestone in the Group's capital investment cycle. CODSL, which commenced operations in October 2024, is expected to be a key driver of foreign exchange revenue, and the upcoming launch of gaming operations in August 2025 is anticipated to further enhance its long term value creation. Similarly, WCT-1, the Port of Colombo (POC)'s first automated deep-water terminal, commenced phase 1 operations in Q4 2024/25 and is expected to strengthen both the POC's capabilities and Sri Lanka's position as a leading regional maritime hub. While both projects are now well positioned to contribute meaningfully to the Group's earnings and support sustained profitability over the medium to long term, short term impacts on profitability are expected until such time the projects ramp up and scale.

John Keells CG Auto (Private) Limited (JKCG), the Group's new energy vehicles (NEV) business, which recorded strong traction during the year, is also expected to contribute meaningfully to the Group's portfolio.

Refer the Leisure, Transportation and Retail industry groups for a discussion on CODSL, WCT-1, and JKCG respectively – page 181, 147 and 170

The following are some of the key strategic initiatives pursued across Group businesses in furtherance of achieving its short , medium and long term objectives.

Sustainable Value Creation

The Group's strategy focuses on driving sustainable, consistent, competitive and responsible growth by expanding revenue channels, increasing market share and actively exploring opportunities by fostering a culture of disruptive innovation and digitisation in a sustainable and responsible manner.

Cost Optimisation

Continued emphasis is placed on maintaining agile and efficient cost structures to enhance profitability and resilience. This has continued to assist businesses in navigating many challenges, particularly in the recent past.

Brand Development

The Group's strategy focuses on building brand equity through a comprehensive understanding of its target market and aligning with the brand's promise and vision to ensure a stakeholder-centric approach.

Talent Management

The Group is committed to recruiting, developing, and retaining a talented pool of employees, fostering a diverse and performance-oriented culture that drives sustainable growth. Over the years, the Group has attracted the best and the brightest talent towards building a strong team that reflects the diversity of the customers the Group serves.

Process and Risk Management

Focus is placed on strengthening business processes and governance checks across the Group through re-engineering, process improvement, enterprise risk management and quality management in line with international best practice.

STRATEGY, RESOURCE ALLOCATION AND PORTFOLIO MANAGEMENT

Digitisation

The Group's digitisation drive is aimed at identifying emerging and current disruptive business trends to enhance the digital quotient (DQ) of individuals and businesses. A key enabler of this transformation is the strategic use of data and advanced analytics. These efforts are expected to drive more informed decision-making, increase productivity and efficiency by leveraging digital technologies, data-led insights and disruptive business models.

Environmental Responsibility

The Group remains committed to reducing its environmental impact through a robust environmental management system and alignment with Group-wide sustainability targets. Operational decisions incorporate environmental considerations to ensure long term resilience.

Diversity, Equity and Inclusion (DE&I)

A culture of equitable inclusion is promoted through the ONE JKH initiative, aiming to encourage and embrace diversity, attract and retain the best talent and enhance productivity across the Group's value chains and communities.

Community and Corporate Social Responsibility (CSR)

The Group continues to invest in impactful community empowerment programmes aligned with the three pillars of sustainable development: economic growth, social inclusion, and environmental protection. These initiatives are led by the John Keells Foundation.

REGULAR ASSESSMENT OF RISK AND REWARD

In measuring operational performance, all verticals and businesses within each industry group are regularly assessed on key dimensions such as customer orientation, supplier concentration, bargaining power of both customers and suppliers, joint venture (JV) partner affiliations and dependence, cyclicality, performance against the industry and Sri Lankan economy, procedural, regulatory or technological factors that obstruct or restrict operations and the current and potential competitive landscape, among others.

The capital structure for new ventures is stress-tested under various sensitised scenarios, which often results in the execution of proactive measures, particularly in managing potential foreign exchange risks during both the development and operating phases. Further, ongoing projects are regularly tested and evaluated in partnership with independent and recognised parties to ensure clear, impartial judgment on matters relating to capital structure, economic implications and key risks.

Given the Holding Company's diversified operations, resource allocation and portfolio management play a central role in driving long term value for stakeholders. The Group evaluates opportunities and challenges across its portfolio through a structured four-step framework, underpinned by the five forms of Capital. This approach ensures that investment and divestment decisions are aligned with the Group's strategic priorities and fundamentals.

Financial Filter

Bedrock of the decision criteria based on the JKH hurdle rate.

Growth Filter

Evaluates industry attractiveness and growth potential based on the industry lifecycle.

Strategic Fit

Evaluates the long term competitive advantage of a business/industry by closely assessing competitive forces, inherent risks, the ability to control value drivers and alignment with the Group's core competencies and success factors.

Complexity Filter

Considers factors such as sustainability, senior management time and the risk to brand image and reputation in conjunction with the anticipated returns.

The Project Risk Assessment Committee, a sub-committee of the Board, enhances Board oversight of large-scale investments by evaluating associated risks from inception and providing early-stage guidance on risk mitigation and structuring. Prior review and clearance by this sub-committee is mandatory for investments exceeding a Board-mandated threshold.

HURDLE RATE OF JKH

The present hurdle rate of JKH is 15%, which is a function of the weighted average cost of capital (WACC). The WACC is derived from the Group's cost of equity, cost of debt, target capital structure, tax rates and the value creation premium required over and above the WACC.

With the normalisation of macroeconomic indicators, the Group maintained its hurdle rate at the same level during the current year. This rate serves as the initial benchmark in evaluating project feasibility, with project-specific modifiers applied to provide a more granular assessment. For example, a country-specific risk modifier is applied to investments with high foreign currency exposure, using a project-specific cost of debt and equity return benchmark. This is then compared against projects with similar risk profiles.

The Group will continue to monitor market developments to determine if adjustments to the long term hurdle rate are warranted.

CONCEPTUALISING PORTFOLIO PERFORMANCE

The Group aims to strike a balance between optimising immediate portfolio returns against returns in the medium-to long term. As such, emphasis is placed on both the return-generating capabilities of the business against its capital employed and the earnings potential of the business or project.

A key element of this approach is the recognition of the gestation periods of strategic, capital-intensive investments. It was anticipated that projects such as CODSL and WCT-1 would exert pressure on portfolio returns during both the development stage and the initial phase of operations, until full ramp-up. While these projects have temporarily skewed the Group's capital employed, and, consequently, return on capital employed (ROCE), they represent strategic and transformational plays aligned with the country's macroeconomic trajectory and the Group's long term value creation objectives. The Group is of the strong view that these investments will be catalysts in driving the next wave of growth considering the transformational nature of these projects, the scale and relative financial impact of the projects, its earnings potential and the alignment with the country's strategic sectors such as tourism and ports and shipping. In the short to medium term, the Group will prioritise and focus on harnessing and extracting full value from these investments.

While capital will continue to be deployed to its consumer-facing businesses, which have typically demonstrated high return potential, the Group will rationalise its portfolio or expand in areas with relatively lower gestation periods with the aim of optimising returns from the capital currently deployed through a combination of strategic initiatives. These include:

- Adopting asset-light models, particularly within the Leisure industry group, such as the recently launched Kandy Myst by Cinnamon, to maintain a lean and flexible capital structure.
- Divesting non-core businesses, such as with the sale of Tea Smallholder Factories PLC (TSF) in April 2025.
- Monetising its land banks to unlock value and improve capital efficiency.
- Selective expansion of the current product portfolio as well as into adjacent products within core verticals of the Consumer Foods businesses to drive earnings growth while capitalising on the synergies of existing manufacturing and distribution capabilities.

This structured approach ensures that performance is optimised at both the individual business level and at a consolidated portfolio level, enabling agility, resilience, and strong positioning to capture emerging opportunities.

The Group is conscious of the quantum of capital deployed in businesses in the past years, and, to this end, places significant emphasis on evaluating projects in a manner that optimises capital efficiency, especially in capital-intensive industry groups such as Leisure and Property. While recent strategic investments such as CODSL and WCT-1 required substantial upfront capital outlays, the Group's capital expenditure profile is expected to moderate going forward. Capital raising decisions will remain anchored to return thresholds, capital efficiency, and the need to preserve flexibility, ensuring that debt servicing, where relevant, is sustainable and aligned with the Group's long term value creation objectives. The next phase of the capex cycle is planned to be primarily driven by investments towards the consumer foods and retail industries, that are well within the respective industry group's operating cash flow capacity.

Insights

During the year, the Company raised Rs.24.04 billion through a Rights Issue of ordinary shares, to fund project requirements of Waterfront Properties (Private) Limited (WPL), the developer of CODSL. As of 31 March 2025, Rs.9.00 billion of the proceeds has been infused as equity to WPL whilst the balance was utilised to reduce the outstanding borrowings at the Holding Company – which will be redrawn as and when needed to fund the requirements of WPL.

Whilst the proceeds from the Rights Issue improved financial flexibility, it has also contributed to an increase in capital employed, thereby exerting pressure on ROCE. However, with operations at CODSL having commenced and expected to ramp up over the short term, this is anticipated to improve.

Refer Share Information section – page 135

As a diversified conglomerate, the Group has historically benefited from varying contributions across its portfolio depending on business cycles and macroeconomic alignment. In recent years, earnings have shifted towards higher ROCE-generating industry groups such as Consumer Foods, Retail, Financial Services, and Transportation. These segments, supported by deliberate growth strategies, are expected to continue driving improvements in Group-level ROCE while supporting absolute earnings growth over time.

LONG TERM ASPIRATIONS

The Group continually endeavours to deliver value to its multitude of stakeholders, particularly shareholders. To this end, the Group has in place long term financial goals which are continually monitored to ensure that the Group is moving progressively towards its vision and objectives, although recent performance has been subdued (as detailed in the ensuing section), and, to an extent distorted, by the effects of the intensive capital expenditure cycle of the Group and the operating and ramp-up costs associated with its new projects such as CODSL. The Group believes the targets are still relevant in the medium to long term and is confident of reaching these targets in such a time horizon.

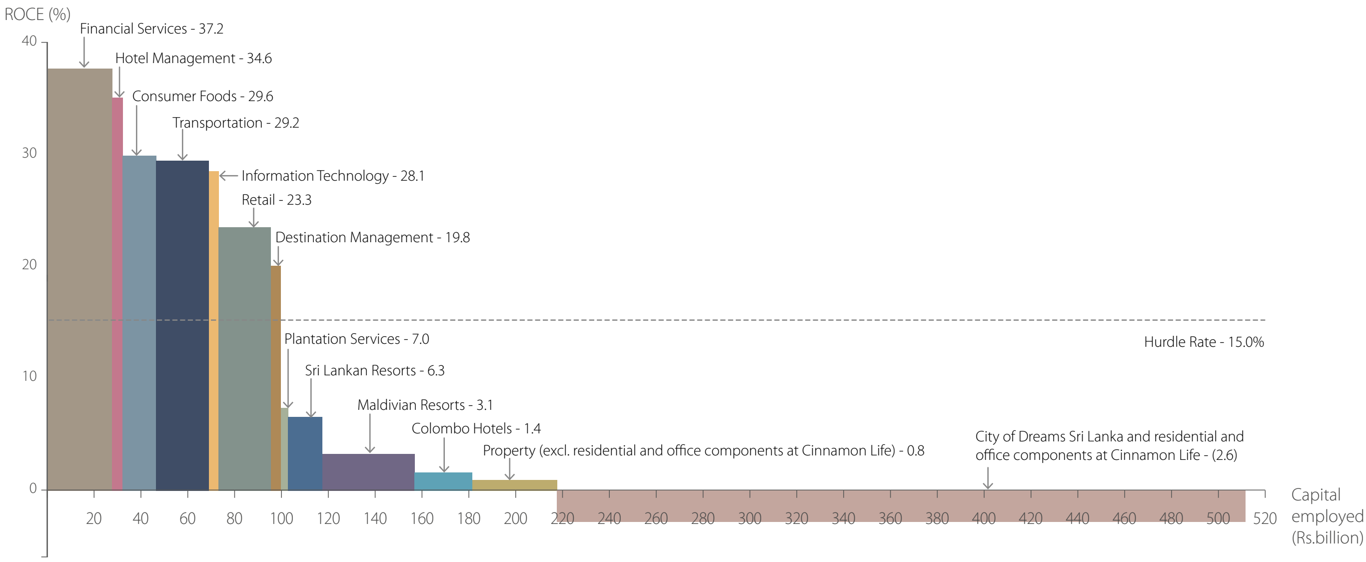
Indicator (%)	Goal	Achievement		
		31 March 2025	31 March 2024	31 March 2023
EBIT growth	>20	(5.4)	1.6	59.6
EPS growth (fully diluted)	>20	(54.0)	(38.2)	(10.4)
Cash EPS growth (fully diluted)	>20	(66.1)	(30.5)	(16.8)
Long term return on capital employed (ROCE)	15	5.1	5.5	5.5
Long term return on equity (ROE)	18	1.4	3.2	5.6
Net debt (cash) to equity (with leases)	50	34.9	42.2	45.4

Refer Industry Group Reviews for an analysis of sector wise performance – page 147

PERFORMANCE OF THE PORTFOLIO

Group Return on Capital Employed

The multiple capital-raising transactions in the past few years, commencing from the long term financing facility obtained from the International Finance Corporation (IFC) in 2020/21, to the private placement of shares to the Asian Development Bank (ADB), the convertible debenture issuance to HWIC Asia Fund and the most recently concluded Rights Issue during the year have contributed to a notable increase in the capital base. This increase in the capital base, which was necessitated due to the funding for the completion of the Group's landmark projects and on account of the uncertainty and volatility in the Sri Lankan economy that was experienced from CY2019 to CY2023, in particular, have resulted in negative impacts on ROCE. As stated above, this cycle is now coming to an end with the investments now poised to generate positive cash flows in the ensuing years, reflecting the typical pattern in the capital investment cycle, where initial capital outlays precede the realisation of full earnings potential.



Refer Industry Group Review for further details – page 147

While the Group acknowledges this impact on performance, it prioritises balancing immediate results with long term value creation. Strategic decisions, such as strengthening the capital base and pursuing transformational investments, have supported resilience during past economic challenges and are expected to drive sustainable growth in the future.

Movement in ROCE in 2024/25:

The Group ROCE decreased to 5.1% in 2024/25 from 5.5% in the previous year primarily due to the:

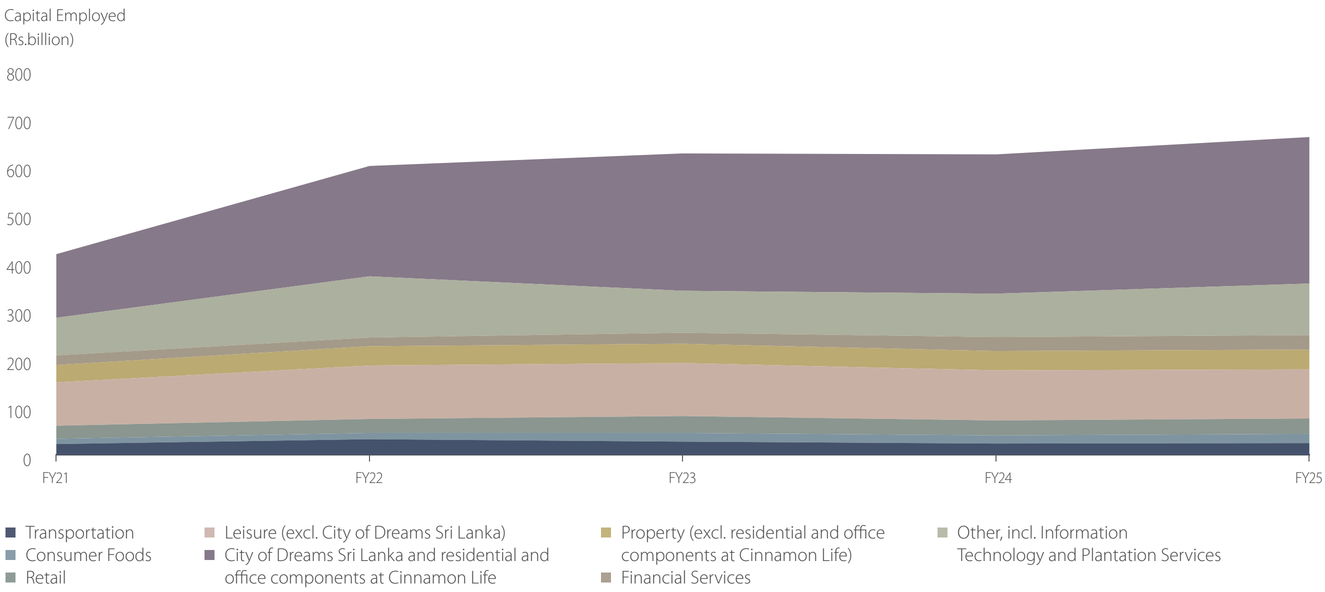
- 5% contraction in EBIT as morefully discussed under the Financial and Manufactured Capital Review. This was mainly driven by CODSL, where performance was characterised by substantial pre-opening, ramp-up and operational costs as well as recognition of a depreciation charge post commencement of operations. CODSL, which remains in its early operational stages, is expected to gradually ramp up and scale in operations.
- An increase in capital employed due to the expanded equity base, primarily following the Rights Issue concluded in October 2024. Although the conversion of debentures in January 2025 increased the equity base, it had no impact on capital employed, as it involved a conversion of a debt to equity.

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	5.1		9.1		0.44		1.26
2023/24	5.5		10.8		0.42		1.21

If ROCE performance is segregated into profitability, asset efficiency and leverage, it is noted that although asset turnover and capital structure leverage have increased, indicating improved efficiency in asset utilisation and a higher dependence on other liabilities to finance assets, the overall ROCE has declined due to the notable dip in the EBIT margin. The decline in the EBIT margin is on account of the reasons outlined above.

Portfolio Movements

Portfolio movements over the past five years are illustrated below.



Key movements:

- Capital employed attributable to the CODSL project has increased across the years and accounts for a significant proportion of the capital employed base.

Group Return on Equity

The Group return on equity (ROE) followed a similar trend and declined from 3.2% in 2023/24 to 1.4% in 2024/25. The ROE was also impacted by:

- a reduction in the profit attributable to equity holders by 53%, as morefully discussed under the Financial and Manufactured Capital Review.
- an increase in the equity base, as mentioned under ROCE.

Refer Financial and Manufactured Capital Review for further details. – page 53

Similar to ROCE, if the ROE decline is segregated based on a DuPont analysis, it is noted that the decline is driven by a deterioration across net profit margins, asset turnover, and financial leverage, as reflected in the table below. This weakening in performance was underpinned by the factors outlined above, which collectively weighed on profitability, operational efficiency, and balance sheet leverage during the period.

	ROE (%)	=	Return on assets (%)	x	Common earnings leverage	x	Equity multiplier
2024/25	1.4		0.9		0.77		2.14
2023/24	3.2		1.6		0.93		2.17

STRATEGY, RESOURCE ALLOCATION AND PORTFOLIO MANAGEMENT

Significant Movements of the Portfolio

	2021/22	2022/23	2023/24	2024/25
Investments	JKH invested Rs.13.55 billion in WPL.	JKH invested Rs.80.91 billion in WPL.	JKH invested Rs.19.58 billion in WPL.	JKH invested Rs.27.21 billion in WPL.
Investments	JKH invested Rs.2.86 billion in WCT-1.	JKH invested Rs.2.72 billion in WCT-1.	JKH invested Rs.5.17 billion in WCT-1.	JKH invested Rs.6.81 billion in WCT-1.
Investments	JKH invested Rs.1.94 billion in JK Land (Private) Limited. Further to this, JK Land acquired the remaining 13.3% equity stake in Vauxhall Land Developments (Private) Limited for a consideration of Rs.2.99 billion.		KHL further invested Rs.584 million in Indra Hotels and Resorts Kandy (Private) Limited (IHRL).	KHL further invested Rs.496 million in IHRL.
Investments	JKH invested Rs.74 million in preference shares in Saffron Aviation (Private) Limited.		JKH made an initial investment of Rs.400 in subscribing to the promoter shares of John Keells CG Auto (Private) Limited (JKCG).	JKH further invested Rs.270 million in JKCG.
Investments	JKH invested Rs.16 million in Inchcape Mackinnon Mackenzie Shipping (Private) Limited.			JKH infused Rs.224 million in Mack International Freight (Private) Limited.
Divestments	JKH divested 98.88 perches of land in Tickell Road, Colombo 8, for a consideration of Rs.1.14 billion.			
Divestments	JKH divested 2.66 acres of land held under John Keells Hotels PLC (KHL) in Nuwara Eliya, for a consideration of Rs.362 million.			

Note: In April 2025, JKH divested the totality of its 37.62% equity stake in TSF for a total consideration of Rs.395 million.

SHARE INFORMATION

This section entails an overview of the market conditions which prevailed during the year under review, both globally and locally. The section concludes with a discussion on share-related information of the Company.

GLOBAL AND LOCAL EQUITY MARKET REVIEW

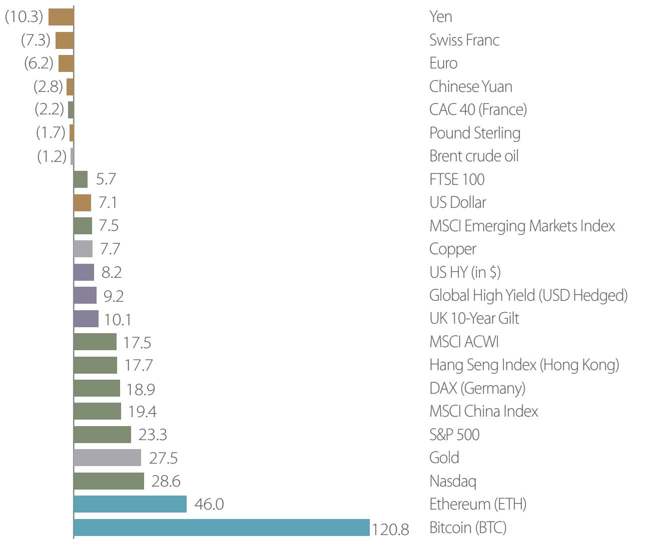
Global Equity Market Review

Global equity markets delivered strong returns in CY2024, building on the momentum in CY2023 despite persistent geopolitical tensions and policy uncertainty. The MSCI All Country World Index (ACWI) increased by 17.5%, driven by strong earnings, particularly in the United States (US), where the S&P 500 and Nasdaq Composite increased by 23.3% and 28.6%, respectively, primarily driven by developments surrounding artificial intelligence and technology-driven sectors. Other markets also posted positive returns, with Japan's Nikkei 225 rising by 19.2% and the FTSE 100 increasing by 5.7%. Emerging markets rebounded, as the MSCI Emerging Markets Index delivered a 7.5% return, reflecting improved investor confidence in developing economies, particularly in Asia and Latin America. China's equity markets showed signs of recovery in CY2024 with the Shanghai Composite Index experiencing a notable rebound of 12.7%, marking its first annual gain since CY2020. MSCI China Index also increased by 19.4%, rebounding from an 11.2% decline in CY2023.

This momentum was disrupted in April 2025, when the imposition of tariffs by the US and the escalation in the trade war thereafter triggered a broad-based sell-off, with the Dow Jones Industrial Average plunging more than 4,000 points within 48 hours—marking the first instance of consecutive 1,500+ point declines in its history. The S&P 500 and Nasdaq indices also fell sharply, entering bear market territory. Since then, the implementation of a 90-day grace period, coupled with ongoing negotiations aimed at de-escalating tensions and stabilising global trade dynamics, has contributed to less volatility in markets, with major indices posting modest gains.

As evident from the graph below, cryptocurrencies delivered the strongest returns across asset classes in CY2024, followed by strong performances in equities and select commodities. Fixed income posted moderate gains although most major currencies weakened.

Shifts in Asset Classes
(CY24 YTD performance: %, end-of-week)



Sources: JP Morgan, MSCI and Visual Capitalist.

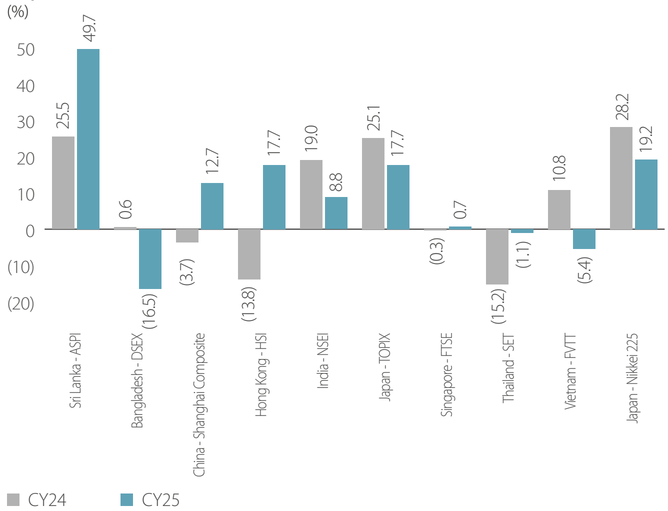
Total number of shares in issue as at 31 March 2025	17,624,630,203
Public shareholding as at 31 March 2025	74.93%
Stock symbol	JKH.N0000
Newswire codes of the JKH Share	
Bloomberg	JKH.SL
Dow Jones	P.JKH
Reuters	JKH.CM

Sri Lanka Equity Market Review

The All Share Price Index (ASPI) and the Standard and Poor's Sri Lanka 20 (S&P SL20) Index of the Colombo Stock Exchange (CSE) followed a similar trend to global equities in CY2024. Accordingly, as at end-CY2024, the ASPI and S&P SL20 closed at 15,945 and 4,862 points, recording gains of 49.7% and 58.5%, respectively.

Sri Lanka's ASPI delivered strong returns for a second consecutive year, delivering a return of 49.7% in CY2024 [CY2023: 25.5%], ranking it as one of the best-performing equity indices in the region. The strong performance was underpinned by the ongoing stabilisation of the macroeconomy including stronger domestic currency appreciation, conducive interest rates, strengthening in investor sentiment and confidence and a recovery in corporate earnings across multiple sectors.

Regional Market Performance



The macroeconomic stabilisation under the International Monetary Fund (IMF) Extended Fund Facility and the subsequent credit rating outlook upgrade from default status significantly signalled improved sovereign credibility. This attracted renewed foreign interest and contributed to a broad re-rating of equity valuations. The decline in treasury bond yields, reflecting easing of monetary policy and declining inflation coupled with capital gains on listed equities being exempt from income taxes also contributed to the uptick in performance. The conclusion of both the Presidential and Parliamentary Elections, together with the strong mandate secured by the Government, paved the way for overall political stability in the country; against this backdrop, in September 2024, the ASPI climbed ~12% during the month. October to December 2024 marked the CSE's strongest performance of the year, with the ASPI hitting record highs on 19 separate occasions, adding over Rs.1.5 trillion in market capitalisation in the fourth quarter of CY2024. The performance was broad-based, led by banks, capital goods, energy, and consumer-driven companies, underpinned by growing domestic participation and renewed foreign inflows.

SHARE INFORMATION

In 2024/25, the overall market capitalisation recorded an increase to Rs.5,812 billion from Rs.4,535 billion recorded in the previous year. The ASPI closed at 16,479 points as at 31 March 2025, up from 11,444 points as at 31 March 2024. The average daily turnover increased to Rs.2.92 billion in 2024/25 from Rs.1.58 billion in 2023/24, although the market price to earnings ratio (PER) decreased to 9.0 times in 2024/25 [2023/24: 9.9 times]. The CSE also facilitated capital raising through initial public offerings (IPOs) with Rs.2.30 billion raised through three IPOs by end-March 2025.

Investor sentiment on equity market performance remains cautiously optimistic, underpinned by continued macroeconomic stability domestically. Downside risks to the outlook remain especially stemming from geopolitical tensions and uncertainty due to global tariff and trade policies. Despite this, the medium-term fundamentals of the domestic market remain intact as the full implementation of the IMF programme is expected to remain on track, domestic interest rates to hover around the current levels, and favourable tax treatment of capital gains relative to fixed income instruments is expected to continue.

Refer the Outlook and Risks section for a detailed discussion – page 116

Key Regulatory Highlights for the Year – Sri Lankan Equity Market

- Effective 10 June 2024, the CSE reduced the settlement cycle for equity transactions from T+3 to T+2. This move aligns the CSE with international best practice, aiming to enhance market liquidity and reduce counterparty risk.
- In October 2024, the CSE revised its listing rules to facilitate the listing of high-yield corporate debt securities. The amendments include definitions for 'Qualified Investors' and set out eligibility criteria and disclosure requirements for issuers.
- In April 2025, the Securities and Exchange Commission (SEC) updated its framework for disciplinary actions and administrative sanctions to enhance regulatory enforcement and market integrity. These revisions empower the SEC to impose a range of sanctions, including reprimands and monetary penalties, for violations of securities laws and regulations. Further, the CSE established a central counterparty (CCP) system to enhance market stability and efficiency. The CCP acts as an intermediary between buyers and sellers in securities transactions, mitigating counterparty risk and ensuring the smooth settlement of trades.
- The CSE amended its listing rules to facilitate the issuance and trading of green, social, sustainability, and sustainability-linked (GSS+) bonds. This initiative replaces the previous 'Sustainability Bonds' category with a broader GSS+ framework, encompassing various thematic bonds aimed at financing environmentally and socially beneficial projects.
- The CSE introduced amendments to its listing rules to accommodate the issuance of foreign currency-denominated debt securities by entities incorporated in Sri Lanka. These changes include new eligibility criteria, such as a requirement for issuers to have at least 50% of their revenue in foreign currency, with a minimum of USD 5 million over the past three years.

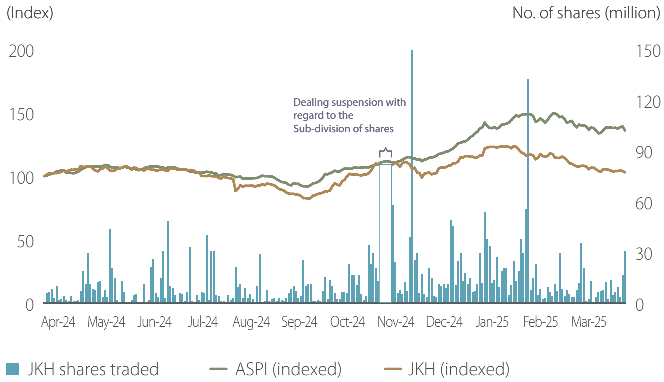
Refer the Corporate Governance Commentary for CSE/SEC disclosure and continuous listing requirements impacting the Company – Page 230

31 March	Value		%
	2025	2024	
MSCI			
All Country World Index	827.15	783.58	6
All Country World Index excluding US	322.41	368.90	(13)
World (23 Developed Markets)	3,628.64	2,366.97	53
US	5,346.31	5,008.17	7
Europe	2,200.34	2,113.34	4
Europe, Australasia and Far East	2,400.82	2,349.41	2
Emerging Markets	1,101.40	1,043.20	6
Frontier Markets	574.71	530.82	8
Peer			
SENSEX	77,414.92	73,651.35	5
JKSE	6,510.62	7,288.81	(11)
STI	3,972.43	3,224.01	23
KLSE	1,513.65	1,536.07	(1)
Local			
ASPI	16,478.67	11,444.38	44
S&P SL20	4,734.72	3,317.61	43

JKH SHARE PERFORMANCE VS ASPI

The JKH share increased by 13.9% to Rs.20.20 as at 31 March 2025 from Rs.17.73 (adjusted share price for Rights Issue and Sub-division of shares) on 31 March 2024.

JKH Share Performance vs. ASPI (indexed)



Note: For comparison purposes, share prices prior to 5 November 2024 have been adjusted to reflect the Rights Issue and Sub-division of shares, as applicable.

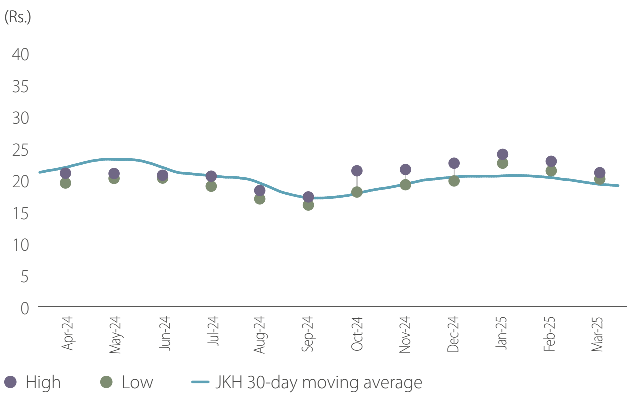
As illustrated in the graph above, 149,556,929 shares and 132,505,507 shares each representing ~0.8% of the number of shares in issue of the Company were recorded as traded on 19 November 2024 and 30 January 2025, respectively.

SHARE INFORMATION OF THE COMPANY

Market Information of the Ordinary Shares of the Company

	Q4	Q3	Q2	Q1	2024/25	2023/24
Share Information (Rs.)						
Adjusted for Rights Issue and Sub-division of shares as applicable						
High	24.50	22.70	18.80	19.91	24.50	18.27
Low	19.90	17.95	14.95	17.66	14.95	12.45
Close	20.20	22.60	17.93	18.61	20.20	17.73
Dividends paid per share	0.05	0.05	-	0.05	0.15	0.15
Unadjusted						
High	24.50	216.75	205.75	218.00	N/A	200.00
Low	19.90	19.10	159.00	193.25	N/A	134.75
Close	20.20	22.60	179.25	203.75	N/A	194.00
Dividends paid per share	0.05	0.05	-	0.50	N/A	1.50
Trading Statistics						
Number of transactions	44,478	57,563	14,526	8,765	125,332	38,346
Number of shares traded ('000) - unadjusted	906,416	798,444	47,080	52,809	1,804,749	265,636
Number of shares traded ('000) - adjusted	906,416	1,018,094	469,956	526,844	2,921,310	N/A
Value of all shares traded (Rs.million)	20,522	21,227	8,548	10,775	61,073	46,580
Average daily turnover (Rs.million)	366	372	136	186	261	196
Percentage of total market turnover (%)	8.6	8.0	12.3	8.9	8.8	12.4
Market capitalisation (Rs.million)	356,018	373,598	269,347	306,147	356,018	290,771
Percentage of total market capitalisation (%)	6.1	6.6	6.1	6.4	6.1	6.4

JKH High/Low Share prices per Month



Note: For comparability, the period prior to 5 November 2024 has been adjusted to reflect the Rights Issue and Sub-division of shares, as applicable.

JKH Beta

The beta of the JKH share as of 31 March 2025 stood at 0.56. The beta is calculated based on the daily JKH share movements against movements of the ASPI for the five-year period commencing 11 May 2020 to 28 March 2025. It is pertinent to note that the CSE was closed for trading from 20 March to 11 May 2020 due to the island-wide lockdown imposed due to the Covid-19 pandemic. For comparability, prices, as applicable, have been adjusted for the Rights Issue and Sub-division of shares.

The compound annual growth rate (CAGR) of the JKH share over the five-year period stood at 11.80%, compared to that of the market which stood at 28.17% for the same period.

ISSUED SHARE CAPITAL

The number of shares in issue by the Company increased from 1,489,819,707 shares as at 31 March 2024 to 17,624,630,203 shares as at 31 March 2025. The increase was attributed to the corporate actions undertaken during 2024/25 — including the Rights Issue, Sub-division of shares, and the conversion of the balance convertible debentures of HWIC Asia Fund (HWIC) as illustrated below. Further details on each transaction are provided in the ensuing section.

"The number of shares in issue increased during the year driven by key corporate actions, including the Rights Issue, Sub-division of shares, and the conversion of convertible debentures held by HWIC."

"The Company concluded a Rights Issue of 150,263,595 ordinary shares, on the basis of one (1) new ordinary share for every ten (10) ordinary shares held, at an issue price of Rs.160 per share and raised Rs.24.04 billion."

SHARE INFORMATION

2024/25 Corporate Actions Timeline

31 March 2024	1,498,819,707 shares
30 July 2024	1,502,635,957 shares
10 September 2024	*1:10* + 150,263,595 new shares
22 October 2024	1,652,899,552 shares
29 October 2024 – 5 November 2024	*10-for-1 split*
6 November 2024	16,528,995,520 shares
24 January 2025	1,079,375,000 shares
31 March 2025	17,624,630,203 shares

Announcement of the Rights Issue and Sub-division of shares

- Rights Issue ratio: One (1) new ordinary share for every ten (10) ordinary shares.
- Sub-division of shares ratio: One (1) existing ordinary share sub-divided into ten (10) ordinary shares.
- Consideration: Rs.160 per share.
- Anticipated proceeds: Rs.24.04 billion.
- Shareholder approval: 9 September 2024.

Rights execution

Listing of new shares through the Rights Issue

- Rights Issue was oversubscribed.
- Applications were received for 171,415,856 shares amounting to Rs.27.43 billion.
- The Company accepted subscriptions for 150,263,595 shares.
- Total proceeds raised amounted to Rs.24.04 billion.

Dealing suspension with regard to the Sub-division of shares.

- Recommencement of trading on 6 November 2024.

Sub-division of shares

Conversion of the balance debentures held by HWIC

- Number of debentures converted: 98,125,000.
- Face value: Rs.12.76 billion.

Rights Issue

In July 2024, the Company announced a Rights Issue of 150,263,595 ordinary shares, on the basis of one (1) new ordinary share for every ten (10) ordinary shares held, at an issue price of Rs.160 per share to raise Rs.24.04 billion. The Rights Issue was oversubscribed, and the new ordinary shares allotted from the Rights Issue were listed on 22 October 2024.

As detailed in the Circular to the shareholders, the proceeds of the Rights Issue will be used to support the project funding requirements of Waterfront Properties (Private) Limited (WPL), a subsidiary of the Company and the developer of the City of Dreams Sri Lanka integrated resort (CODSL).

Utilisation of Proceeds from the Rights Issue as at 31 March 2025:

Objective as per Circular	To support the Company's equity financing obligations towards WPL.
Amount allocated as per Circular (Rs.)	24,042,175,200
Proposed date of utilisation as per Circular	Over a period not exceeding twenty-four (24) months from the date of allotment of shares i.e. 21 October 2026.
Amount allocated upon the receipt of Proceeds (Rs.) - (A)	24,042,175,200
As a % of total Proceeds	100
Amount utilised in the objective (Rs.) - (B)	9,000,119,000
% of utilisation against the allocation - (B/A)	37%
Clarification if not fully utilised including where the funds are invested	Until further equity is required by WPL, the balance proceeds have been used to reduce short term revolving debt obligations and overdrafts of the Company.

In accordance with employee share option plans (ESOPs), Plans 10 and 11, both the exercise price and quantity of ESOPs were adjusted to reflect the price-dilutive impact of the Rights Issue.

Sub-division of Shares

Subsequent to the completion of the Rights Issue, the Company carried out a Sub-division of its ordinary shares in the proportion of one (1) existing ordinary share being subdivided into ten (10) ordinary shares. Accordingly, 1,652,899,552 ordinary shares in issue as at 28 October 2024 were subdivided into 16,528,995,520 ordinary shares.

Following the Sub-division of shares, the number and exercise price of ESOPs were adjusted proportionately.

Conversion of the Balance Convertible Debentures held by HWIC Asia Fund and the resultant Listing of Ordinary Voting Shares

As detailed in the JKH Annual Report 2023/24, a total of 208,125,000 LKR denominated unlisted convertible debentures with a face value of Rs.27.06 billion were issued to HWIC, a subsidiary of Fairfax Financial Holdings Limited on 12 August 2022 at Rs.130 per debenture, with the option to convert into ordinary voting shares of the Company, pursuant to shareholder approval granted on 4 August 2022. In February 2024, 110,000,000 debentures with a face value of Rs.14.30 billion was converted.

As disclosed in January 2025, HWIC exercised its option to convert the remaining balance of 98,125,000 debentures, with a face value of Rs.12.76 billion.

JKH issued and listed 1,079,375,000 new ordinary voting shares of the Company, as adjusted for the Rights Issue and Sub-division of shares as per the debenture deed which was approved by the shareholders at the outset. This conversion resulted in a dilution of 6.13%, based on the number of outstanding ordinary shares as at 22 January 2025. Post-conversion, the shareholding of HWIC stood at 24.31% of the Company.

Following this final conversion, there are no outstanding convertible debentures as all debentures originally issued were fully converted. The shareholding of HWIC stands at 24.29% as at 31 March 2025.

⊕ *Refer Financial and Manufactured Capital Review section for a discussion on the accounting treatment – page 53*

Termination of the Global Depositary Receipts Programmes

As detailed in the Annual Report 2023/24, the Board of Directors resolved in November 2023 to terminate the Company's Regulation S and Rule 144A Global Depositary Receipts Programmes (collectively, the 'GDR Programme'), owing to the relatively low number of Global Depositary Receipts (GDRs) in issue and their limited contribution to the trading of Company securities.

GDR holders were given the option to either convert their GDRs into ordinary shares in the Company or monetise their investment, with a six-month window provided to surrender their GDRs for conversion prior to 14 June 2024. Following this period, any unsurrendered GDRs were sold by the depository, with net proceeds held for the benefit of the holders.

The termination of the GDR Programme was completed on 20 August 2024, along with the delisting of the GDRs from the Luxembourg Stock Exchange. The termination did not have any impact on the Company's outstanding share capital.

"The Rights Issue will be used to support the project funding requirements of WPL, the developer of CODSL."

"As at 31 March 2025, public shareholding stood at 74.93%, compared to 99.24% the previous year. This reflects the reclassification of HWIC as a related party in June 2024 and its exclusion from public holding, along with the conversion of debentures and the issuance of new shares to HWIC in January 2025."

PUBLIC HOLDING

As at 31 March 2025, the public shareholding percentage stood at 74.93%, compared to 99.24% as at 31 March 2025.

The Company was notified on 18 June 2024 by HWIC that it considers the Company as an equity accounted associate for its own reporting purposes. As such, HWIC was classified as a related party of the Company in terms of the Sri Lanka Accounting Standards and eliminated from being considered a part of the Company's public holding with effect from 18 June 2024.

The conversion of the remaining 98,125,000 convertible debentures and the resultant issuance and listing of 1,079,375,000 new ordinary voting shares to HWIC, as announced to the CSE on 24 January 2025, resulted in a further decrease in the public holding percentage of the Company from 79.81% to 74.93% as of 24 January 2025, following the listing of these new shares.

Share Capital

Year ended 31 March	Number of shares in issue (million)
2012	844.12
2013	857.24
2014	990.29
2015	997.49
2016	1,189.40
2017	1,387.47
2018	1,387.53
2019	1,318.17
2020	1,318.55
2021	1,319.66
2022	1,384.92
2023	1,384.92
2024	1,498.82
2025	17,624.63

Note: The share capital for 2024/25 reflects the Sub-division of shares in the ratio of one (1) existing share into ten (10) ordinary shares which was concluded in November 2024.

⊕ *Details of other corporate actions that impacted share capital - page 144*

SHARE INFORMATION

Composition of Shareholders

	31 March 2025			31 March 2024*		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
Non-Resident						
Institutions	69	7,708,284,180	43	68	628,555,219	41
Individuals	253	120,180,212	1	235	8,224,782	1
Total Non-Resident	**322**	**7,828,464,392**	**44**	**303**	**636,780,001**	**42**
Resident						
Institutions	975	5,529,851,676	32	660	484,215,442	33
Individuals**	22,984	4,266,314,135	24	13,128	377,824,264	25
Total Resident	23,959	9,796,165,811	56	13,788	862,039,706	58
Total	**24,281**	**17,624,630,203**	**100**	14,091	1,498,819,707	100

**The figures are presented on a pre-adjustment basis and have not been restated to reflect the Rights Issue and Sub-division of shares.*
***Includes directors,spouses and connected parties.*

Distribution of Shareholders

	31 March 2025				31 March 2024*			
	Number of shareholders	%	Number of shares held	%	Number of shareholders	%	Number of shares held	%
Less than or equal to 1,000	9,424	39	3,129,839	0	9,525	68	1,863,908	0
1,001 to 10,000	7,962	33	31,771,768	0	3,008	21	10,995,300	1
10,001 to 100,000	4,955	20	170,703,985	1	1,195	8	36,555,791	2
100,001 to 1,000,000	1512	6	456,937,132	3	266	2	79,979,916	5
Over 1,000,001	428	2	16,962,087,479	96	97	1	1,369,424,792	92
Total	**24,281**	**100**	**17,624,630,203**	**100**	14,091	100	1,498,819,707	100

** No adjustments have been made to reflect the Rights Issue and Sub-division of shares.*

Refer Corporate Governance Commentary section for further details on Options Available to Executive Directors under the Employee Share Option Scheme, Director's Shareholding and Executive Director's Shareholding in Group Companies – Pages 242.

Top Twenty Shareholders of the Company

	31 March 2025		31 March 2024*	
	Number of shares	%	Number of shares	%
HWIC Asia Fund	4,281,537,680	24.29	291,105,699	19.42
Melstacorp PLC	1,418,088,220	8.05	128,917,111	8.60
Mr S E Captain	1,371,885,804	7.78	122,615,194	8.18
Paints & General Industries Limited	739,155,249	4.19	87,021,832	5.81
CIC Holdings PLC	693,664,950	3.94	85,365,926	5.70
Asian Development Bank	650,420,060	3.69	65,042,006	4.34
Polypak Secco Limited	464,943,792	2.64	31,587,170	2.11
Norges Bank Account 2	422,850,005	2.40	33,087,774	2.21
Schroder International Selection Fund	373,689,464	2.12	44,418,290	2.96
Aberdeen Standard Asia Focus PLC	240,801,630	1.37	35,038,572	2.34
Amana Bank PLC/ CIC Holdings PLC	209,205,050	1.19	-	-
Hostplus Pooled Superannuation Trust	190,870,817	1.08	15,152,416	1.01
Mr Kandiah Balendra and Mrs Swyrie Balendra	178,161,075	1.01	19,511,476	1.30
Mrs C S De Fonseka	176,069,910	1.00	17,606,991	1.17
Emrevival Master Fund LP	175,813,520	1.00	15,983,048	1.07
Chemanex PLC	153,400,000	0.87	15,064,515	1.01
Ms L A Captain	152,313,651	0.86	10,065,647	0.67
Mrs S A J De Fonseka	151,547,300	0.86	15,254,730	1.02
Schroder Asian Growth Fund	143,505,120	0.81	10,328,047	0.69
Mrs J Ambani	137,986,929	0.78	9,100,000	0.61

** No adjustments have been made to 31 March 2024 figures to reflect the Rights Issue and Sub-division of shares.*

Note: The Company is unable to disclose the ultimate beneficial owners (UBOs) as collating information on UBOs of entities is not possible, given that the country's regulations do not require this to be disclosed when purchasing shares on the CSE.

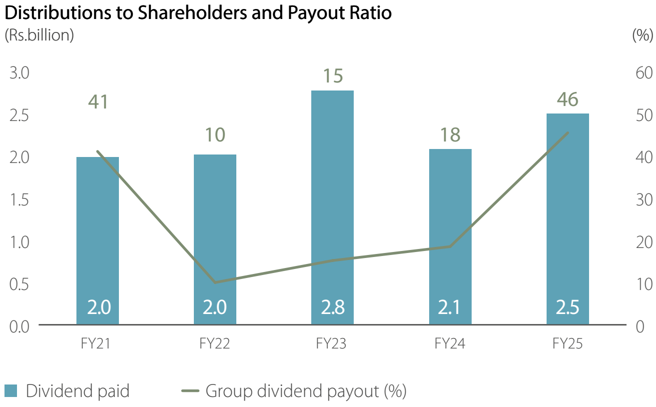
DIVIDEND

In addition to the final dividend of 2023/24 amounting to Rs.0.50 per share (pre-Rights Issue and Sub-division of shares), which was paid in May 2024. During the year under review, the Company paid two interim dividends each amounting to Rs.0.05 per share, in December 2024 and March 2025. It is noted that both these interim dividend payments were post the conclusion of the Rights Issue and Sub-division of shares.

Accordingly, the final dividend for 2024/25 has been proposed at Rs.0.05 per share, to be paid on or before 25 June 2025. On this basis, the total dividend declared for 2024/25 is Rs.0.15 per share (2023/24: Rs.1.50 per share, which stands at Rs.0.15 per share post adjustments for Rights Issue and Sub-division of shares).

Based on dividend paid during the year, the Company dividend payout ratio for 2024/25 is 70% with a total dividend outlay of Rs.2.46 billion [2023/24: Rs.2.08 billion]. The Group payout ratio was at 46% during the year [2023/24:18%]. The Group remains committed to a dividend policy that aligns with growth in profits and returns on investments, while ensuring sufficient reserves are retained to support business continuity and investment pipeline.

Distributions to Shareholders and Payout Ratio



Year ended 31 March	DPS* (Rs.)	Dividends (Rs.000)
2013	3.50	2,982,421
2014	3.50	3,266,718
2015	3.50	3,475,947
2016	7.00	8,037,790
2017	5.50	7,280,497
2018	6.00	8,324,983
2019	5.00	8,186,450
2020	2.50	4,614,133
2021	2.00	1,978,317
2022	1.50	2,012,193
2023	2.00	2,769,833
2024	1.50	2,080,473
2025	0.15	2,457,083

**Dividend declared per share.*

Note: The dividend for 2024/25 has been adjusted to reflect the Sub-division of shares in the ratio of one (1) existing share into ten (10) ordinary shares which was concluded in November 2024.

EARNINGS PER SHARE

The fully diluted earnings per share (EPS) for the financial year decreased by 54.0% to Rs.0.32 per share [2023/24: Rs.0.69 (retrospectively adjusted for the Rights Issue)] primarily due to the reduction in total profit attributable to equity holders as outlined below. The increase in the diluted weighted average number of shares stemming from the Rights Issue and the conversion of the balance convertible debentures issued to HWIC further exacerbated this impact.

The primary impact on earnings for the year stemmed from the operations of CODSL. Significant expenses were incurred in relation to pre-opening activities, operational ramp-up, and the commencement of operations at the Cinnamon Life hotel from October 2024 onwards. Additionally, the Group started recognising the depreciation charge and interest expense in the income statement, amounting to Rs.2.23 billion and Rs.2.06 billion, respectively, for the six-month period ending 31 March 2025. As CODSL transitions from the construction phase to full-scale commercial operations, it is expected that profitability will gradually improve and stabilise.

Refer Financial and Manufactured Capital for further details – page 53

On a recurring earnings basis, the diluted EPS reduced to Rs.0.31 per share in the current financial year from Rs.0.63 per share recorded in the previous financial year, representing a 50.6% decrease. The recurring diluted EPS excluding CODSL stood at Rs.0.80 per share.

Price-to-Earnings Ratio (P/E)

	2024/25	2023/24
JKH	63.6	29.2
CSE	8.3	9.9
SENSEX	21.5	25.2
KLSE	17.3	21.1
JCI	12.0	26.8
STI	12.2	17.8

Given the impacts of CODSL, as outlined above, the indicative JKH P/E ratio excluding CODSL stood at 25.1 times as at 31 March 2025.

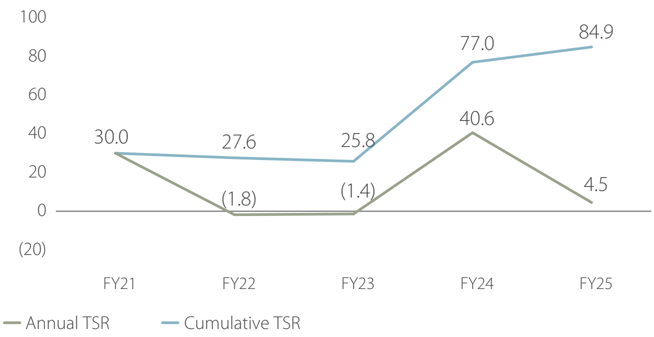
"The Group remains committed to a dividend policy that aligns with growth in profits and returns on investments, while ensuring sufficient reserves are retained to support business continuity and investment pipeline."

SHARE INFORMATION

TOTAL SHAREHOLDER RETURN

The total shareholder return (TSR) of the JKH share stood at 4.5% for the period under review, while the total return index of the S&P SL20 recorded a return of 42.7%. On a cumulative basis, over a five-year holding period, the share inclusive of dividends, posted a total return of 84.9%.

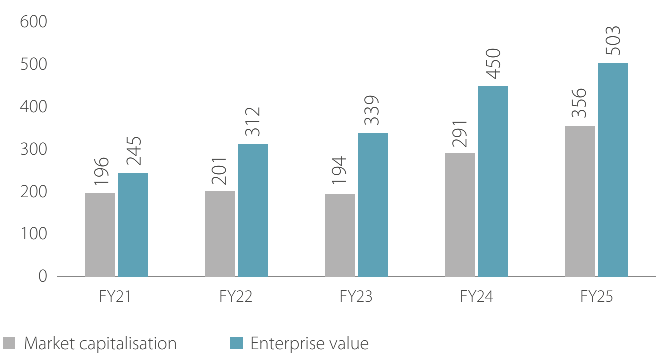
Total Shareholder Return
(%)



MARKET CAPITALISATION AND ENTERPRISE VALUE

The market capitalisation of the Company increased by 22% to Rs.356.02 billion as at 31 March 2025 [2023/24: Rs.290.77 billion], primarily driven by an increase in the number of ordinary shares of the Company stemming from the Rights Issue and conversion of debentures, as outlined previously, and an increase in the share price. As at financial year end, JKH represented 6.1% of the total market capitalisation of the CSE [2023/24: 6.4%].

Market Capitalisation and Enterprise Value
(Rs.billion)



Summary Indicators

		2024/25	2023/24	2022/23
Market capitalisation	(Rs.billion)	356.0	290.8	193.9
Enterprise value	(Rs.billion)	502.3	450.0	339.0
EV/EBITDA	(times)	11.0	10.0	7.6
Diluted EPS	(Rs.)	0.3	0.7	13.1
Diluted PER	(times)	63.6	29.2	10.7
Price to book	(times)	0.9	9.6	0.6
Price/cash earnings	(times)	52.4	17.7	7.3
Dividend yield	(%)	3.0	7.4	1.4
Group dividend payout ratio	(%)	46.1	18.5	15.2
Net assets per share	(Rs.)	22.6	20.3	246.2
TSR	(%)	4.5	40.6	(1.4)

EMPLOYEE SHARE OPTION PLAN (ESOP)

- Share options of the Company are granted to eligible executives of the Group, generally with more than 12 months of continuous service.
- The exercise price of the share options is determined based on the 30-day volume weighted average market price (VWAP) of the underlying shares on the date of grant.
- The share options vest over a period of four years and are dependent on a performance criterion and a service criterion.
- Upon vesting and subsequent exercise, new ordinary shares are issued, which contributes to the variation in the Group's issued share capital over time.
- The ESOPs serves as a key component of the Group's long term incentive framework, aimed at aligning employee interests with shareholder value creation, supporting talent retention, and rewarding sustained performance.

Employee Share Option Plan as at 31 March 2025

	Date of grant	Employee category	Shares granted	Expiry date	Option grant price (Rs.)	Shares adjusted[2]	Exercised	Cancelled[2]		Expired	Outstanding			
								Due to resignations	Due to performance		Total	Vested	Unvested	End/ current price (Rs.)
PLAN 10	01.07.2019		6,568,000	30.06.2024	136.97	6,568,000	5,742,250	499,000	135,500	191,250	-			136.97
Award 1		GEC[1]	2,460,000			2,825,000	2,825,000	-	-	-	-			
		Other Executives	4,108,000			3,743,000	2,917,250	499,000	135,500	191,250	-			
PLAN 10	19.10.2020		6,557,100	30.06.2025	132.86	48,947,876	15,036,690	435,200	7,500		33,468,486	33,468,486	-	13.26[2]
Award 2[3]		GEC[1]	2,230,000			22,043,142	7,778,137	-	-		14,265,005	14,265,005	-	
		Other Executives	4,327,100			26,904,734	7,258,553	435,200	7,500		19,203,481	19,203,481	-	
PLAN 10	16.08.2021		6,585,800	30.06.2026	136.64	58,670,669	1,631,587	439,800	12,925		56,586,357	42,421,466	14,164,891	13.64[2]
Award 3[4]		GEC[1]	2,205,000			25,510,156		-	-		25,510,156	19,132,621	6,377,535	
		Other Executives	4,380,800			33,160,513	1,631,587	439,800	12,925		31,076,201	23,288,845	7,787,356	
PLAN 11	26.07.2022		6,906,600	30.06.2027	121.91	63,029,545	1,131,484	368,000	8,750		61,521,311	30,635,475	30,885,836	12.17[2]
Award 1[5]		GEC[1]	2,115,000			26,281,979		-	-		26,281,979	13,140,991	13,140,988	
		Other Executives	4,791,600			36,747,566	1,131,484	368,000	8,750		35,239,332	17,494,484	17,744,848	
PLAN 11	26.01.2023		1,369,700	25.01.2028	137.86	11,972,438	625,410	404,968	75,655		10,866,405	4,968,150	5,898,255	13.76[2]
Award 2[6]		Other Executives	1,369,700			11,972,438	625,410	404,968	75,655		10,866,405	4,968,150	5,898,255	
PLAN 11	12.07.2023		5,535,665	30.06.2028	145.59	54,342,823	129,762	108,100	-		54,104,961	14,597,834	39,507,127	14.53[2]
Award 2.1[7]		GEC[1]	2,183,200			21,883,604		-	-		21,883,604	5,470,905	16,412,699	
		Other Executives	3,352,465			32,459,219	129,762	108,100	-		32,221,357	9,126,929	23,094,428	
PLAN 11	19.07.2024		7,494,020	30.06.2029	200.74	75,117,282	-	-	-		75,117,282	90,000	75,027,282	20.03[2]
Award 3[8]		GEC[1]	2,736,500			27,429,686	-	-	-		27,429,686	-	27,429,686	
		Other Executives	4,757,520			47,687,596	-	-	-		47,687,596	90,000	47,597,596	
Total						318,648,633	24,297,183	2,255,068	240,330	191,250	291,664,802	126,181,411	165,483,391	

1 GEC comprises of the Executive Directors and Presidents
2 Adjusted for Bonus Issues/Right Issues/Sub-division of shares
3 Plan 10 (Award 2) - 100% of the options had vested as at 31 March 2025
4 Plan 10 (Award 3) - 75% of the options had vested as at 31 March 2025
5 Plan 11 (Award 1) - 50% of the options had vested as at 31 March 2025
6 Plan 11 (Award 2) - 50% of the options had vested as at 31 March 2025
7 Plan 11 (Award 2.1) - 25% of the options had vested as at 31 March 2025
8 Plan 11 (Award 3) - None of the options had vested as at 31 March 2025 with the exception of retirees

SHARE INFORMATION

History of Scrip Issues, Rights, Repurchases and Conversion of Convertible Securities

Year ended 31 March	Issue	Basis	Number of shares (million)	Ex-date	Cash inflow/ (outflow) (Rs.billion)
2012	Sub-division	4:3	210	30-Jun-11	N/A
2013	Rights @ Rs.175*	2:13	132	3-Oct-13	23.1
2015	Warrants attached to 2013 Rights	1:3	49	28-Sep-15**	8.0
2016	Warrants attached to 2013 Rights	1:6	21	27-Sep-16**	3.2
2016	Sub-division	7:8	143	30-Jun-15	N/A
2017	Sub-division	7:8	170	30-Jun-16	N/A
2019	Repurchase @ Rs.160	1:20	69	11-Jan-19	(11.1)
2022	Private Placement	N/A	65	21-Jan-22	10.0
2024	Convertible Debenture Conversion	1:1	110	29-Feb-24	N/A
2025	Rights @ Rs.160*	1:10	150	10-Sep-24	24.0
2025	Sub-division	1:10	16,529	6-Nov-24	N/A
2025	Convertible Debenture Conversion	1:11***	1,079	24-Jan-25	N/A

** Unadjusted prices.*
***Market day immediately preceding the commencement of the exercise period.*
****Effective conversion ratio as adjusted for the Rights Issue and Sub-division of shares.*

2024/25 Financial Calendar

	Date
Three months ended 30 June 2024	30 July 2024
Six months ended 30 September 2024	5 November 2024
First interim dividend paid on	4 December 2024
Nine months ended 31 December 2024	3 February 2025
Second interim dividend paid on	6 March 2025
Annual Report 2024/25	27 May 2025
Investor Relations Webinar	28 May 2025
Final dividend to be paid on	25 June 2025
46th Annual General Meeting	27 June 2025

2025/26 Financial Calendar

	Date
Three months ended 30 June 2025	On or before 30 July 2025
Six months ended 30 September 2025	On or before 4 November 2025
Nine months ended 31 December 2025	On or before 31 January 2026
Annual Report 2025/26	On or before 22 May 2026
47th Annual General Meeting	On or before 26 June 2026

Note: The Investor Relations Webinar will be held within 2 days of the interim release date and Annual Report release date, as applicable.

RARING TO GO

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY GROUP REVIEW

The Industry Group Review of the Management Discussion and Analysis (MD&A) segment consists of the following sections.

⊕ Industry Group Review

A discussion on the each of the following industry groups:

Each of the above reviews shall comprise of:

⊕ 3-year Performance KPIs

Presents the key performance indicators of the industry group over the past three years, under each form of Capital, as applicable, to illustrate the progression or deterioration of value.

⊕ External Environment and Operational Review

Explores the key external environmental variables specific to the industry group, delving into their direct influence on the industry group's operational dynamics during the year.

⊕ Financial Performance Review

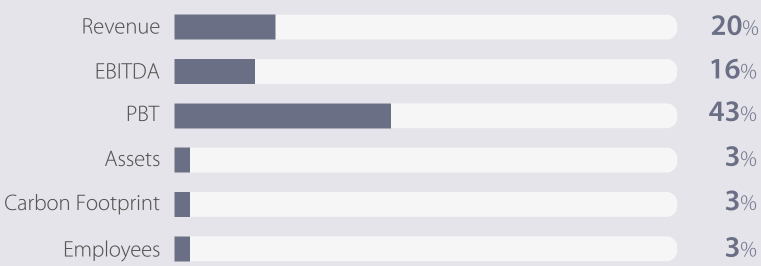
Entails a comprehensive discussion on the financial performances of the industry group, with particular emphasis on the performance and capital structure.

⊕ Outlook and Risks

Highlights the key risks, opportunities and trends applicable for the industry. Also, entails a discussion on the industry group's strategy for navigating through the challenges arising from operating environment, as well as the future trajectory of the industry group.

TRANSPORTATION

Contribution to the John Keells Group



Ports and Shipping

- Operation of a container terminal at the Port of Colombo (POC) as a public-private partnership on a build, operate and transfer (BOT) basis through South Asia Gateway Terminals (SAGT).
- Development of a container terminal for operation at the POC as a public-private partnership on a BOT basis through the West Container Terminal (WCT-1).
  - Phase 1 of the project is complete and commercial operations commenced in Q4 2024/25.
- Associate stake in Maersk Lanka, the agents in Sri Lanka and the Maldives for the Maersk Line.
- Shipping agency and maritime services through Inchcape Mackinnon Mackenzie Shipping (Private) Limited (IMMS), a joint venture with Inchcape Shipping Services.

Transportation

- Marine bunkering and related services under Lanka Marine Services (LMS).
- Third party logistics (3PL), warehousing and trucking through John Keells Logistics (JKLL).
- DHL air express in Sri Lanka, a joint venture with Deutsche Post.
- Representation of multiple on-line and off-line airlines as general sales agents for both passenger and cargo services through Mack Air (MAL) in Sri Lanka.
- Travel agency and outbound travel-related services through Mackinnons Travel (MTL).
- Domestic scheduled and charter flight operations under the brand, Cinnamon Air.

INDUSTRY GROUP REVIEW

TRANSPORTATION

		2024/25	2023/24	2022/23
Operational Highlights				
SAGT volumes	TEUs '000s	**2,068**	1,818	1,704
Domestic:Transshipment volume mix		**12:88**	10:90	13:87
Port of Colombo volumes	TEUs '000s	**7,719**	7,339	6,632
LMS volume growth	%	**15**	2	8
Warehouse space under management	(sq.ft '000)	**240**	370	317
Financial and Manufactured Capital				
Revenue [1]	Rs.million	**73,227**	68,916	94,281
EBITDA	Rs.million	**7,318**	8,773	10,631
EBIT	Rs.million	**6,989**	8,475	10,360
PBT	Rs.million	**6,364**	7,604	9,570
PAT	Rs.million	**6,126**	7,470	9,010
Total assets	Rs.million	**29,736**	31,280	30,790
Total equity	Rs.million	**16,057**	16,260	17,891
Total debt [2]	Rs.million	**8,095**	6,808	8,610
Capital employed [3]	Rs.million	**24,411**	23,413	27,074
Natural Capital				
Energy consumption	kWh '000	**580,990**	625,474	546,142
Energy consumption per Rs.million of revenue	kWh/ Rs.million	**7.93**	9.08	5.79
Carbon footprint	MT	**4,438**	4,384	3,403
Carbon footprint per Rs.million of revenue	MT/ Rs.million	**0.06**	0.06	0.04
Water withdrawal	Cubic meters (m^3)	**15,719**	12,397	15,094
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	**0.21**	0.18	0.16
Volume of hazardous waste generated	kg	**76,920**	83,250	56,033
Volume of non hazardous waste generated	kg	**95,031**	103,508	50,607
Waste generated per Rs.million of revenue	kg/ Rs.million	**2.35**	2.71	1.13
Human Capital				
Total workforce	No.	**675**	630	535
Total employees	No.	**602**	559	465
Total contractor's personnel	No.	**73**	71	70
EBIT per employee	Rs.million	**11.61**	15.16	22.28
Average training per employee	hours	**26**	21	49
Total attrition	%	**75**	42	54
Female employees	%	**17**	20	19
Total number of injuries	No.	**2**	1	3
Social and Relationship Capital				
Community Services and Infrastructure Projects [4]	Rs.'000	**10,655**	11,075	12,051

1. Revenue is inclusive of the Group's share of equity accounted investees
2. Excludes lease liabilities.
3. For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.
4. Only the contribution to John Keells Foundation.

External Environment and Operational Review

Macroeconomic Update

- Global trade in goods and services recorded a growth of 3% in CY2024 compared to a contraction of 5% in CY2023. Growth was primarily driven by a 7% increase in services trade, whilst trade in goods experienced a modest growth of 2%, remaining below its peak in CY2022. Growth was led by developing economies, with imports and exports increasing 4% annually driven mainly by East and South Asia (United Nations Conference on Trade and Development (UNCTAD).
- Global Merchandise trade increased by 2% against the previous year with trade volumes of both exports and imports increasing, as per UNCTAD. However, momentum slowed in the second half of the year, and uncertainty looms for CY2025 due to shifting policies and global economic conditions.
- From the end of CY2023, global maritime trade flows were significantly disrupted as ships entering the Gulf of Aden and sailing through the Red Sea and the Suez Canal faced attacks by rebels. The security threats in the Red Sea continued to cause significant redirection of ship arrivals and transits through the Cape of Good Hope during 2024/25.

Key Policy and Regulatory Highlights

- Annual National Budget 2025 fiscal proposals:
  - Funding of Rs.1 billion to support the initial development and establishment of advanced scanning systems for the POC and Bandaranaike International Airport (BIA).

Macroeconomic Update - Ports and Shipping

- The POC handled 7.7 million twenty-foot equivalent units (TEUs) in 2024/25, a 5% increase in TEUs handled against the previous year [2023/24: increase of 11%]. All terminals of the POC recorded an increase in container handling volumes.

Rs.million	2024/25	2023/24
Domestic volumes (TEUs)	**Growth of 17%**	Growth of 11%
Transshipment volumes (TEUs)	**Growth of 3%**	Growth of 10%
Domestic: Transshipment mix	**16:84**	14:86
Overall POC capacity utilisation	**~91%**	~86%

- Capacity enhancements at the POC:
  - Construction works pertaining to the first phase of the WCT-1 at the POC was completed in February 2025, and commercial operations commenced in Q4 2024/25. The full completion of construction of the terminal is on-track for 2H 2026/27.

- The construction of the second phase of East Container Terminal (ECT) continued during CY2024. Extending across 75 hectares with a quay length of 1,320 meters, ECT comprises of 12 gantry cranes and 40-yard cranes. The full project is expected to be completed in CY2026.
- Upon the completion of construction of both terminals, the estimated annual capacity of the POC is expected to increase by ~6.5 million TEUs.
- Development of the proposed West Container Terminal II (WCT-II) and the first container terminal in the Colombo North Port, which are envisaged to be operational by CY2030 and CY2034, respectively, are part of the medium term project pipeline anticipated to be initiated by the Government.
- In September 2024, the Sri Lanka Ports Authority (SLPA) called for a prequalified expression of interest to develop Talaimannar - North Pier at the North Western Port of Mannar on a BOT basis.

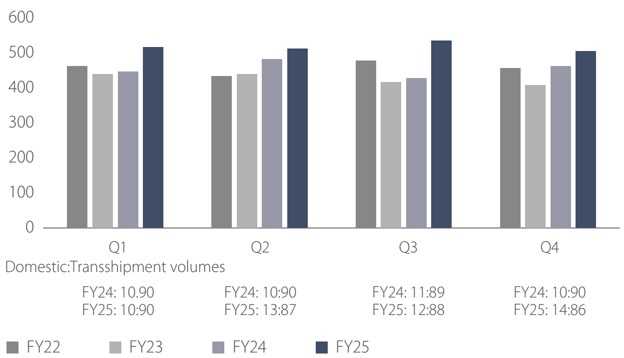
Ports and Shipping

South Asia Gateway Terminal

During the year under review, the Group's Ports and Shipping business, SAGT, recorded a strong volume growth of 14%, with volumes increasing to 2.1 million TEUs [2023/24: 1.8 million TEUs], surpassing the 5% volume growth at the POC. Volumes were driven by a growth in both domestic and transshipment volumes due to increased demand from continued disruptions in the Red Sea and an increase in global trade. SAGT handled over two million TEUs for the third time in the history of its operations, exceeding its original design capacity.

Insights

SAGT Volumes
('000 TEUs)



Volume Growth (%)	Q1	Q2	Q3	Q4	2024/25	2023/24
Domestic	17	41	31	51	35	(14)
Transshipment	16	2	24	4	11	10
Total	**16**	**6**	**25**	**9**	**14**	**7**

- Volume growth for each quarter in comparison to the same quarter of the previous year was on account of increases in both domestic and transshipment volumes on the back of increased demand from continued disruptions in the Red Sea and a growth in trade during 2024/25.

SAGT is in the process of gate automation which is expected to reduce processing time and drive productivity. Installation of optical character recognition (OCR) scanners at gates are currently underway and once completed, will also be implemented at the quayside. OCR technology allows containers to be scanned when entering or leaving the terminal, as well as identify and record the exterior condition of containers and the seal's presence and condition. In addition, SAGT enhanced its operational efficiency through the adoption of Lean Management practices. SAGT upgraded its digital safety management system, enhancing its functionality and performance monitoring to create a centralised platform for recording and reporting safety-related tasks.

During the year, SAGT undertook the following to limit its dependency on non-renewable energy sources:

- Hybridisation of its diesel powered Rubber Tyre Gantry Cranes, which has resulted in a significant decrease in diesel consumption per crane.
- Installation of solar panels.
- Deployment of electric forklifts and explored opportunities to introduce electric trucks for yard operations.

Colombo West International Terminal

The POC's first automated deep-water terminal, and a milestone project for the John Keells Group and Sri Lanka, the WCT-1 completed its first phase of construction and commercial operations commenced in Q4 2024/25, marking a significant milestone for both the POC and Sri Lanka's position in the regional maritime hub. With its deeper berths and advanced handling equipment, WCT-1 is expected to reduce turnaround times and congestion, making Colombo more attractive to global shipping lines. The full completion of construction of the terminal is on-track for the second half of 2026/27.

The first phase of the WCT-1 increases the overall capacity of the POC by 1.6 million TEUs. The terminal is also equipped to handle ultra-large container vessels (ULCVs), significantly enhancing capacity and operational flexibility at the POC.

Following the completion of construction and installation works for the first phase, the terminal welcomed its inaugural test vessel in February 2025, marking the beginning of commercial operations. Although in its early stages of operations, the throughput to date has been encouraging, and this momentum is expected to accelerate over the coming quarters. Once fully operational, the terminal is expected to generate ~300 direct and 2,000 indirect employment opportunities.

In the month of April 2025, WCT-1 received a mothership from a leading global shipping liner, which showcased its full operational capability.

The first phase of WCT-1 included the commissioning of eight automated quay cranes (QCs), 18 automated cantilever rail mounted gantries (CRMG). In addition, the terminal is equipped with a comprehensive range of auxiliary systems that support critical operations, including crane equipment management, integrated terminal operations, automated gate processing, real-time container tracking, and the automated management of reefer containers. These systems collectively enhance the terminal's operational efficiency and represent a significant advancement in the POC's technological capabilities.

TRANSPORTATION

Structure

- Build, operate and transfer (BOT)
- Lease period – 35 years
- Strategic Development Project

Completion timelines

- Phase 1 – Operational - Q4 2024/25
- Phase 2 – 2H 2026/27

Features

- Deep-water terminal with a quay length of 1,400 meters, an alongside depth of 20 meters
- Handling capacity of ~3.2 million TEUs

Shareholding

- Adani Ports & Special Economic Zone - 51%
- John Keells Holdings - 34%
- Sri Lanka Ports Authority - 15%

- The total project cost – ~USD 800 million
- Debt to equity mix – ~70:30
- JKH equity commitment – ~ USD 79 million (~USD 57 million already invested)

WCT-1 is setting a new benchmark for sustainable maritime logistics in South Asia, leveraging advanced technology and eco-friendly operations to drive efficiency while minimising environmental impact. A key component of its green strategy is the complete electrification of equipment, including QCs and rail-mounted gantry cranes (RMGs), eliminating dependence on fossil fuels. The terminal has also introduced 62 fully electric internal transfer vehicles, replacing traditional diesel-powered units. This transition significantly reduces carbon emissions and enhances energy efficiency. Beyond electrification, the terminal is actively investing in solar power generation, further supporting its vision for a renewable energy-driven and low-carbon future.

In terms of reporting and Group consolidation, WCT-1 is classified as an equity accounted investee, which records the Group's share of profit after tax. During the initial operational ramp-up period, the depreciation and amortisation expenses will be material considering the project cost of phase 1 which is estimated at ~USD 450 million, thereby impacting reported earnings. However, given the anticipated rapid growth in regional container volumes and demand, the terminal has the potential to achieve a cash-positive position within the first year of operations, subject to the impacts on regional and global trade dynamics. Similarly, as growth will accelerate quarter over quarter, it is expected that the run rate of volumes in the fourth quarter, if market dynamics remain, will enable earnings to be at a breakeven stage. This positive outlook underscores the terminal's strategic importance and long term value creation capability within the Group's portfolio.

In April 2025, WCT-1 received a mothership from a leading global shipping liner.

Inchcape Mackinnon Mackenzie Shipping

IMMS witnessed an improvement in maritime and shipping operations in tandem with the gradual yet positive recovery in the market during the second half of 2024/25, compared to the previous year where the overall port agency industry in Sri Lanka witnessed a contraction. Growth was driven by an increase in direct business and the revamp of the international freight forwarding sector. IMMS expanded operations by entering the naval agency business and the offshore project sector. IMMS experienced a temporary increase in vessel traffic due to political disruptions in Bangladesh, which positively impacted overall performance. However, this was offset by a decline in Inchcape Shipping Services (ISS) network business, influenced by geopolitical tensions in the Gulf region, as well as a reduction in cruise calls due to the ongoing Red Sea crisis.

The business remained amongst the top five shipping agencies in the industry in Sri Lanka.

Awards

- Awarded 'Best International Cruise Line Operator for 2024', presented by the Sri Lanka Tourism Board.

Maersk Lanka

Maersk continued to secure its position as one of the largest shipping lines calling at the POC. During the year under review, the business witnessed an increase in both export and import volumes on the back of increased throughput to the POC, further supported by an increase in air freight volumes.

During the year, Maersk and Hapag-Lloyd AG announced a strategic long term operational collaboration under 'Gemini Corporation'. This partnership is expected to deliver a more agile and reliable ocean network, setting new industry standards for service dependability. The collaboration is also anticipated to enhance the company's integrated logistics capabilities, thereby offering customers a seamless and efficient end-to-end supply chain solutions.

Macroeconomic Update - Bunkering

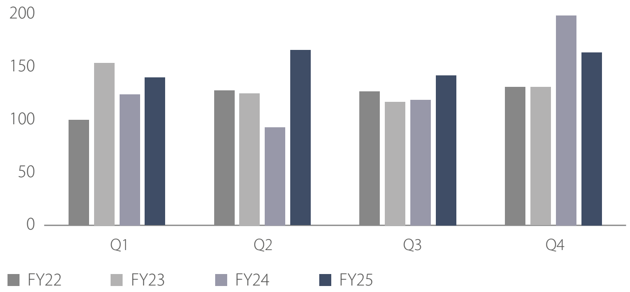
- The prices of Brent oil were highly volatile during the year, with prices peaking to a high of USD 91 per barrel and a low of USD 69 per barrel.
- Due to continued geopolitical tensions in the Red Sea, many vessels have rerouted to sail via the Cape of Good Hope, increasing transshipment of container and bunker volumes in Sri Lanka.
- A temporary oversupply prevailed in the Sri Lankan bunker market due to an excess in direct imports by local suppliers during certain months in 2024/25.

Bunkering

The Bunkering business of the Group, LMS, recorded a strong volume growth of 15% in comparison to the previous year [2023/24: growth of 2%], mainly driven by the continued disruptions in the Red Sea and rerouting of shipping traffic via the Cape of Good Hope. The supply of high sulphur fuel oil (HSFO), which commenced last year, contributed to the growth in volumes and the business envisages an increase in demand for this product through the expansion of necessary capacity related infrastructure at the POC. LMS continued to retain its market leadership position both in the West Coast and the overall Sri Lankan market.

Insights

LMS Volumes
(Index: FY22 Q1 = 100)



Volume Growth (%)	Q1	Q2	Q3	Q4	2024/25	2023/24
LMS	13*	78	20	(17)	15	2*

**Excluding the fuel sales to local industries which was permitted by the Government, the YoY volume increase for Q1 2024/25 and 2023/24 is 22% and 10% respectively.*

- Q1 – Q3: Volume growth for each quarter in comparison to the same quarters of the previous year was mainly on the back of continued disruptions in the Red Sea.
- Q4: Whilst the impact from the disruptions in the Red Sea remains, volume growth due to this impact was declining during the quarter. Additionally, the level of competition has intensified in comparison to Q4 2023/24. It should be noted that volumes for Q4 2023/24 were at its peak, given the initial impact from the disruptions in the Red Sea.

The profitability of the business was impacted due to a contraction in margins, mainly during the first three quarters of the year under review. This was on account of:

- Intensified competition with the entrance of new suppliers and increased direct imports creating an oversupply in the market.
- Volatile global fuel oil prices: global fuel oil prices followed a downward trajectory throughout the financial year putting pressure on margins for stocks in hand.
- The widening of the price differential with Indian ports resulted in downward pressure on prices which in turn affected overall profit margins.

The margins of the business recovered in the fourth quarter of 2024/25 due to the stabilisation of import volumes to the country and the narrowing of oil price difference between Indian ports and Sri Lanka. During the year, LMS also successfully negotiated its credit terms with suppliers which supported a reduction in costs.

In collaboration with the Group's advanced data analytics arm, OCTAVE, LMS is evaluating a use case road map to enhance demand forecasting and market analysis to optimise cargo order sizes, reduce inventory costs, and improve margins.

LMS carried out several initiatives to promote marine lubricant supplies collaboratively with their principals within the ports of Sri Lanka including the 'Marine Lubricants Flexi Bag Decant Operation' in partnership with Gulf Marine during the year. The commencement of the flexi bag operation for lubricant storage and handling contributed to improved efficiency and productivity, enabling higher volume throughput, cost reductions, and enhanced sustainability in operations.

Awards

- LMS received a Presidential award from the Export Development Board under the 'Marine and Offshore service' category in February 2025.

Logistics

The logistics arm of the Group, JKLL, witnessed an improvement in performance, driven by higher demand for services given an increase in general trade, particularly in the second half of 2024/25.

The warehousing vertical of the business continued to optimise usage of its warehouse spaces, increasing average capacity utilisation to 83% during the year under review [2023/24: 64%]. This significant improvement was driven by an increase in volumes handled from existing clients and onboarding of new clients. The increased utilisation, combined with continued efforts to manage and reduce operational costs such as optimising route planning and renegotiating vendor contracts, has led to improved margins within the warehousing segment.

The transportation vertical witnessed a significant growth of 51% in revenue kilometres managed during the year through the acquisition of new clients and an increase in volumes handled for existing customers. Performance of the vertical was enhanced by the newly upgraded transport management system (TMS) which was implemented in the latter part of 2023/24.

During the year, the business continued its digitisation efforts to optimise the logistics value chain through enhancements to the warehouse management system (WMS) and the newly upgraded TMS, and real-time key performance indicator (KPI) monitoring systems, such as detailed dashboards, ensuring a customer-centric approach. Additionally, the business developed a data-driven internal dashboard to monitor and manage the progress of its digital transformation initiatives, while also launching a data-driven client-facing digital interface designed to support strategic decision-making and strengthen client relationships. The digitisation initiative undertaken supported in mitigating cost pressures from fluctuating fuel prices, increased labour and service costs and impacts from the appreciation of the Rupee.

In the fourth quarter of the year, JKLL expanded its operations to manage and operate the intra terminal vehicles (ITV) operations at the POC. Operations commenced in the fourth quarter of 2024/25.

INDUSTRY GROUP REVIEW

TRANSPORTATION

Awards

- Received the following at the Women in Logistics and Transport (WILAT) Annual Awards Ceremony:
  - Sustainability Champion – Transport and Logistics sector
  - Digitisation Champion – Transport and Logistics sector
  - Cost saving Champion – Transport and Logistics sector

DHL Keells

During the year under review, performance of the business witnessed a gradual recovery in tandem with the growth in apparel exports and general trade. DHL continued to maintain its market leadership position primarily focusing on offering competitive pricing options, customer retention and business expansion strategies.

DHL successfully carried out a series of digitisation projects, including in areas such as customer services, human resources, operations, finance and information technology, aimed to streamline operational processes, improve transparency, and enhance productivity by eliminating manual work. Additionally, the business leveraged on data analytics, robotic process automation, and generative artificial intelligence (AI) in daily business operations to meet business targets effectively.

During the year under review, the business designed a revamped business-to-customer (B2C) contract to boost E-commerce customers and shipments. Furthermore, it partnered with the Industrial Development Board (IDB) and Ceylon Chamber of Commerce to support and develop small and medium enterprises (SMEs) and micro, small, and medium enterprises (MSMEs) for export readiness, and launched initiatives to improve and promote its services for SMEs and MSMEs clients.

Awards

- Received the following at the Stevie Awards 2024:
  - Gold for 'Back-Office Customer Service Team of the Year'.
  - Silver for 'Contact Centre of the Year' and 'Customer Service Department of the Year'.
- Received the following awards from 'Great Place To Work' (GPTW):
  - Ranked first in the 'Small Size Workplaces' category of the 'Best Workplaces in Sri Lanka'.
  - Recognised as 'Best Multinational Corporation in Sri Lanka'.
  - Ranked first in Asia's 'Best Multinational Corporation Workplaces'
  - Recognised as one of the best workplaces in Sri Lanka for 10 consecutive years.
  - Recognised as one of the '10 Best Workplaces in Logistics and Transportation' for 2024.

Macroeconomic Update - Airline

- In CY2024, the performance of the global aviation sector was driven by an increase in international travel and growth in average passenger seating capacity despite facing challenges such as rising costs and supply chain disruptions.
- 30 international airlines and 5 domestic airlines were in operation in Sri Lanka as at the end of 2024/25.
- The Airport and Aviation Services of Sri Lanka Limited (AASL) called for bids for the construction and completion of the BIA development project phase II stage 2. The Japan International Cooperation Agency (JICA)-funded project includes building and completing the main terminal building, two new piers, and associated works such as an elevated roadway. Upon the completion of the terminal the BIA would have a capacity to accommodate 15 million passengers annually.

For a detailed discussion on the tourism sector performance, refer the Leisure industry group review on page 181.

Airlines and Other

Businesses within the Airline segment witnessed a significant growth in performance with the increase in tourist arrivals and pick up in outbound travel due to a recovery in the macroeconomic environment and increased connectivity.

Cinnamon Air witnessed a growth in operational performance within the high-end customer segment, driven by the overall increase in tourist arrivals and increased contribution from local corporates and high net worth individuals.

Destinations covered by Cinnamon Air

During the year, both charter and scheduled flights saw growth, with charter flights reaching their highest level since operations began in CY2013. Strong forward bookings for both segments indicate continued expansion, driven by the expected rise in tourist arrivals.

The number of flights handled by MAL during the year increased mainly on account of the increase in the Thai AirAsia flight frequency from 4 to 7 flights per week. The increase in load factors and yields on operating Gulf Air and AirAsia flights, coupled together with the positive performance of cargo tonnage on Gulf Air, helped significantly improve the performance of MAL compared to the previous year.

During the year, the business successfully partnered with a new representation from India which is expected to commence operations in the third quarter of 2025/26. The business also continued to optimise its business mix both on the passenger and cargo segments.

MTL enhanced its service offerings across the retail, leisure and visa related sectors although performance was impacted by lower growth in the billing and settlement plan (BSP), the appreciation of the Rupee and a decrease in average fare prices. Despite this, overall performance was positive due to successful onboarding of high-yield accounts. The business continued to undertake many initiatives during the year to enhance customer experience.

Financial Performance Review

Income Statement Indicators

Rs.million	2024/25	2023/24	%
Revenue*			
Transportation	57,949	54,763	6
Ports and Shipping	15,279	14,153	8
Total	73,228	68,916	6

**Including share of revenue of equity accounted investees.*

Transportation

- The Group's Bunkering business, LMS, contributed to the higher revenue driven by an increase in fuel oil sales volumes.
- The Bunkering business accounts for ~96% of revenue within the industry group, excluding equity accounted investees.
- MAL recorded an increase in revenue due to an increase in flight frequencies and an increase in tonnage uplifted.

Ports and Shipping

- The increase in revenue in the Ports and Shipping sector is due to the significant growth in volumes of 14% at SAGT. This increase in revenue mitigated the translation impact of the appreciation of the Rupee, on the US Dollar denominated revenue streams.

Rs.million	2024/25	2023/24	%
EBITDA*			
Transportation	2,388	3,074	(22)
Ports and Shipping	4,930	5,699	(13)
Total	7,318	8,773	(17)

Rs.million	2024/25	2023/24	%
PBT**			
Transportation	1,434	1,905	(25)
Ports and Shipping	4,930	5,699	(13)
Total	6,364	7,604	(16)

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

***Share of results of equity accounted investees are shown net of all taxes but includes impacts from foreign currency exchange gains and losses.*

Transportation

- LMS recorded a decline in EBITDA and PBT due to a contraction in margins mainly on account of intensified competition, particularly in the first three quarters of 2024/25, as detailed in External Environment and Operational Review.

Ports and Shipping

- The EBITDA and PBT of the Ports and Shipping business consists of the share of profit from equity accounted investees, based on their profit after tax. The year-on-year decrease is mainly attributable to SAGT where a one-off deferred tax credit amounting to Rs.1.20 billion was recorded in 2023/24, due to SAGT revisiting its deferred tax computation.
- Excluding this, the business witnessed a growth in EBITDA and PBT in the year under review, driven by an increase in volumes at SAGT supported by an improvement in the volume mix, given that domestic volumes contribute a higher margin.

The non-recurring adjustments for the industry group was on account of the one-off deferred tax credit impact at SAGT in 2023/24, as detailed above. The recurring EBITDA of the industry group, post adjusting for the one-off impacts, stood at Rs.7.57 billion.

Balance Sheet Indicators

Rs.million	2024/25	2023/24	%
Debt*			
Transportation	8,095	6,808	19
Ports and Shipping	-	-	-
Total	8,095	6,808	19

**Excludes lease liabilities.*

The increase in debt of the industry group is mainly attributable to an increase in short term borrowings and bank overdrafts at LMS due to revised treasury management policies.

Lease liabilities as at 31 March 2025 stood at Rs.259 million, a 25% decrease compared to the previous year [2023/24: Rs.345 million], mainly due to a strategic decision undertaken at JKLL to limit new lease commitments during the year. Total debt including leases stood at Rs.8.34 billion as at 31 March 2025, a 17% increase against the previous year [2023/24: Rs.7.15 billion].

INDUSTRY GROUP REVIEW

TRANSPORTATION

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	29.2		9.5		2.40		1.28
2023/24	33.6		12.3		2.22		1.23

- The decrease in the ROCE of the Transportation industry group is attributable mainly to the decrease in EBIT at LMS. It should be noted that the EBIT of the previous year included the one-off differed tax adjustment at SAGT.

Outlook and Risks

The Transportation industry group is expected to be a key contributor to the Group's performance in the immediate term, driven by steady growth in volumes, its exposure to foreign currency denominated revenue streams, and the potential of the WCT-1. The industry group's performance remains tied to global trade dynamics and broader macroeconomic developments, though the more immediate impact would be driven by regional geopolitics and trade.

While the ongoing trade tensions between the United States (US) and China have resulted in uncertainty in global trade flows, the possible tariff impositions on Sri Lankan exports, particularly apparel, highlight potential near term risks to domestic cargo volumes. Further, given its proximity, Sri Lanka is well placed to benefit from the strong growth momentum in India, which is expected to drive regional trade and logistics demand. Over the medium to long term, Sri Lanka's prospects remain positive, supported by improving global consumption, infrastructure investments, and its ability to offer competitive port and logistics services.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Changes in the regulatory environment*
  - Volatility in fuel prices
- Supply chain disruptions*
  - Increase in global tariffs and trade policy uncertainty
  - Potential increase in input costs stemming from geopolitical tensions
  - Limited availability of bonded tank space for bunker fuel
- Financial exposure*, in particular exchange rate volatility
- Global competitiveness* and evolving consumer preferences
- Human resources and talent management*
- Environment and health & safety* including climate risks
- Information technology*
- Reputation and brand image*

Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion.

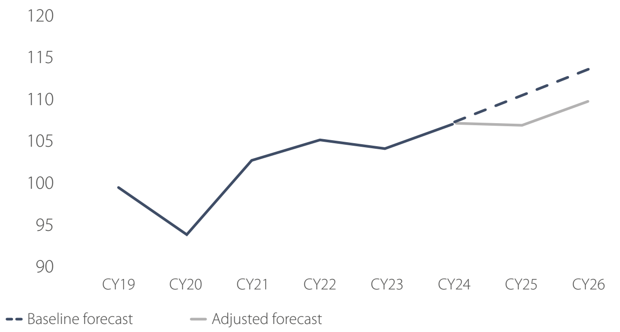
Opportunities Horizon

- Growth in regional trade, particularly India
- Digitalisation and automation
- E-commerce growth
- Demand for sustainable logistical solutions
- Development of port and airport infrastructure
- Collaborative logistics networks
- Alternate fuels
- Emerging markets
- Increase in tourism
- Increase in domestic imports and exports
- Integration of AI into warehousing facilities

Immediate to Short Term

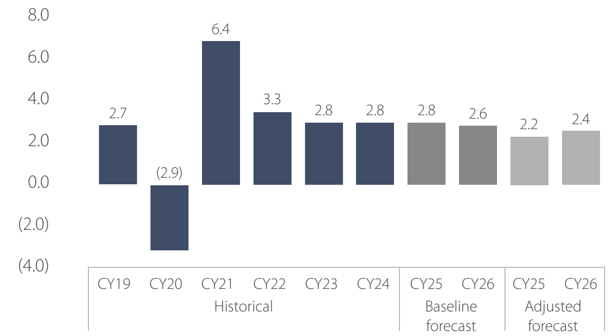
The World Trade Organisation (WTO) and the International Monetary Fund (IMF) have lowered their economic forecasts, with the WTO now expecting a 0.2% decline in global merchandise trade in CY2025 and the IMF revising global growth expectations to 2.8%, down by 0.5%, mainly due to challenges from rising tariffs and trade policy uncertainty. This deterioration marks a sharp reversal from the robust performance recorded in CY2024, when world merchandise trade volumes grew by 2.9% and commercial services trade expanded by 6.8%.

World Merchandise Trade Volume
(Index, 2019=100)



Trade refers to average of exports and imports. Figures for CY2025 and CY2026 are projections

GDP Growth at Market Exchange Rates
(Annual % change)



Figures for CY2025 and CY2026 are projections.

Sources: WTO secretarial for historical trade statistics.

The Impact of the US Tariff Imposition

In April 2025, the US announced a sweeping tariff regime, introducing a 10% baseline tariff on all imports, effective 5 April 2025. Additionally, reciprocal tariffs ranging from 11% to 50% were announced for ~57 specific countries, including Sri Lanka, effective from 9 April 2025. While some major trading partners, including China, initially responded with retaliatory tariffs, a 90-day pause in further tariff action has since been agreed upon and the US will begin unilaterally informing countries of new tariff rates, with ongoing negotiations indicating a shift toward de-escalation.

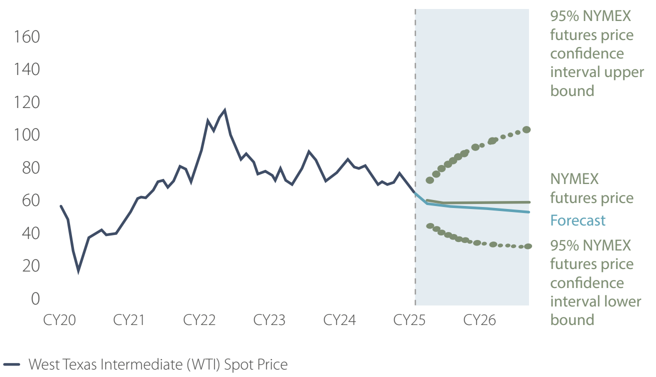
Sri Lanka initially faced a 10% general tariff under the baseline and was subsequently assigned a 44% reciprocal tariff higher than its regional peers such as Bangladesh (37%), India (26%), while Vietnam was higher at 46%. If implemented, the impact could be significant given that the US is Sri Lanka's largest export destination. In CY2024, merchandise exports to the US amounted to USD 2.91 billion, with apparel accounting for ~65%, contributing significantly to foreign exchange inflows. In response, the Sri Lankan Government initiated formal trade discussions with the US with the objective of reducing tariff and non-tariff barriers.

Ongoing uncertainty is prompting port authorities and operators globally to adopt a wait-and-see approach, with some deferring large capital investments amidst evolving trade dynamics. As clarity around tariff implementation continues to emerge, the imposition of tariffs could lead to a potential moderation in trade activity, with implications for port throughput, including the POC.

For a detailed discussion, refer the Outlook section of the report on page 116

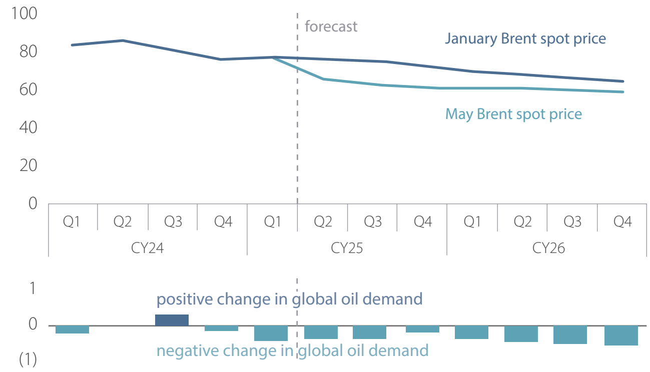
For CY2025, the US Energy Information Administration (EIA) forecasts a decline in brent crude oil prices to USD 66 per barrel, dropping further to USD 59 in CY2026. This forecast reflects supply continuing to outpace demand, leading to rising global inventories.

West Texas Intermediate (WTI) Crude Oil Price and NYMEX Confidence Intervals
(Dollars per barrel)



Source: US Energy Information Administration, Short Term Energy Outlook, May 2025.

Brent Crude Oil Spot Price and Global Oil Demand Changes
USD per barrel (million barrels per day)



Source: US Energy Information Administration, Short Term Energy Outlook, May 2025.

Ports and Shipping

- India's sustained economic growth continues to support rising regional trade volumes. The POC's strategic proximity positions it as a critical transshipment hub to serve Indian cargo flows.
- The US tariff tensions present a potential risk to apparel export volumes, which may possibly impact transshipment traffic through Colombo.
- Given the increased focus on attracting private capital for infrastructure development, it is likely that a majority of future port-related activities will be undertaken in partnership with the private sector.
- Phase 2 of WCT-1 is scheduled to commence operations in the second half of 2026/27 and will further accommodate volume growth by enhancing the port's overall handling capacity and ability to berth large container vessels. WCT-1 is expected to generate positive spillover benefits across the Group's port operations, including increased throughput, improved operational efficiency supported by advanced terminal automation, and higher foreign currency earnings.
- As the first automated container terminal in Sri Lanka, WCT-1 marks a significant advancement in the country's port infrastructure. Its automation is expected to drive long term gains in operational efficiency and reliability, while also enabling more inclusive workforce participation particularly through the integration of women into traditionally male-dominated roles.
- WCT-1 will be treated as an equity accounted investee which records the Group's share of PAT. While operations have commenced, the terminal is expected to undergo a gradual ramp-up phase, during which depreciation and amortisation expenses will be material considering the scale of the project cost. However, given the anticipated rapid growth in regional container volumes and demand, the terminal has the potential to achieve a cash-positive position within the first year of operations, subject to the impacts on regional and global trade dynamics. Similarly, as growth will accelerate quarter over quarter, it is expected that the run rate of volumes in the fourth quarter of 2025/26, if market dynamics remain, will enable earnings to be at a break-even stage.
- The continued upsizing of vessels to optimise economies of scale presents challenges to SAGT due to draft constraints. However, SAGT, positioned as a strategic feeder terminal, remains well placed to support increasing transshipment volumes between India, the broader South Asia region, and mainline vessel routes.

TRANSPORTATION

- SAGT will continue to prioritise cost optimisation, productivity improvements, and inventory management, while strengthening engagement with global shipping lines.

Bunkering

- Bunker fuel demand is expected to strengthen over the medium term, supported by the anticipated increase in overall capacity at the POC and the resulting growth in vessel calls. Should disruptions in the Red Sea persist, further rerouting of shipping traffic could provide an additional uplift to demand.
- The operating environment is expected to remain competitive, particularly due to increased activity from local and regional players, including Indian ports.
- With reduced Russian cargo flows into India, competitive pressures from Indian ports are likely to ease in the near term, offering Sri Lanka an opportunity to consolidate its position as a regional bunkering destination.
- The business will explore leveraging advanced analytics use cases to enhance commercial and operational decision-making. These initiatives aim to strengthen procurement and sales strategies towards improving the margins of the business.
- Executing strategies aimed at mitigating the market risk stemming from fluctuations in oil prices and exchange rates will remain a priority for the business in the near term.

Other

- Logistics: the business will continue to pursue acquiring new customers and improve overall utilisation within all its facilities. Concurrently, the business will also critically review its cost structure and profitability of customer segments with the objective of improving margins. However, pressure on margins may rise in the near term if global trade uncertainties result in significant reduction in export volumes.
- Airlines: the recovery in tourism, especially among Indian travellers, supported by increased airline frequencies, is expected to positively impact the Airline business. Additionally, the impending opening of the casino at the City of Dreams Sri Lanka integrated resort is anticipated to attract high-net-worth travellers, presenting a new customer segment for the business.

Medium to Long Term

Ports and Shipping

Global shipping lines are increasingly shifting towards a 'hub-and-spoke' model, moving away from direct services in favour of transshipment through strategically located deep-water ports. This shift is reflected in the fleet expansion plans of leading carriers, many of which are focused on acquiring ULCVs that require advanced port infrastructure and deeper draft capabilities. These trends significantly strengthen Colombo's positioning as a regional transshipment hub.

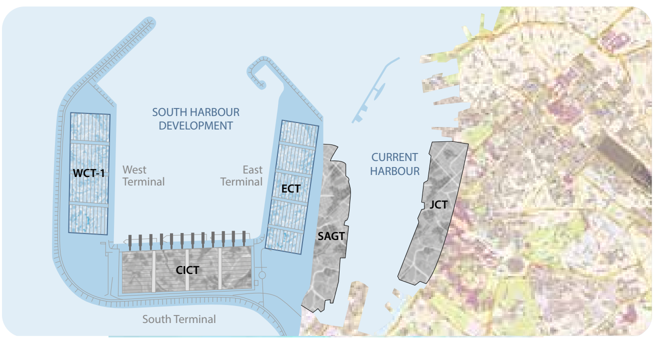
In line with this shift, Sri Lanka's investments in port infrastructure are expected to deliver critical capacity enhancements serving regional markets:

- India: Indian ports such as Tuticorin and Chennai face draft limitations, while emerging markets in Eastern India are expected to increasingly route trade through the POC.
- Bangladesh: rising export volumes and capacity constraints at the Port of Chittagong enhance the POC's role as a preferred transshipment hub.
- Myanmar: trade from Myanmar is expected to be increasingly routed via the POC.
- Middle East and Gulf: strong trade ties and feeder connectivity with ports such as Jebel Ali, Salalah, and Sohar support growth in Middle East volumes through the POC.

Other port infrastructure developments:

- WCT-II: SLPA has planned the development of WCT-II, adjacent to WCT-1, by extending the western breakwater and quay wall northward. In February 2025, the Cabinet of Ministers approved the appointment of a consultant to undertake the detailed design for the extension of the western breakwater for WCT-II, a project that will be financed by the Asian Development Bank (ADB). The proposed WCT-II will entail a 1,200–1,400 metre quay wall, 20-metre depth, and an annual capacity of 3.5 million TEUs. The project includes reclaiming 50–70 hectares of land and is envisaged to be operational by CY2030, to prevent a capacity constraint beyond CY2028.
- Colombo North Port Project: in a further step toward transforming Colombo into a fully-fledged maritime hub, the Government has plans to attract the world's top ten shipping lines for the Colombo North Port development. This major expansion will add multiple new terminals to the POC. The North Port will be developed close to the Kelani River, expanding Colombo's footprint and elevating its status as a major node in global trade.
- Logistics Centre and Multi-Modal Hub: in parallel, the SLPA is planning to develop a logistics centre and multi-modal transport hub near the port. The proposed facility will integrate road and rail connectivity, enhance warehousing capacity, and streamline container handling operations. The SLPA also plans to establish modern warehouse complexes and logistics business centres to further support port-related activity and strengthen Colombo's position as a fully integrated logistics hub.

Colombo South Harbour Development Project



Although the increase in capacity in the POC in the medium term will result in an impact on volumes for the existing terminal operators in the short term, as seen with the entry of Colombo International Container Terminals (CICT) in the past, the capacity-led growth will ensure demand ramps up swiftly given the factors mentioned previously.

Both SAGT and WCT-1 are well positioned to capitalise on these opportunities. SAGT will continue to work towards improving terminal productivity and efficiency through strategic initiatives and investments. Special emphasis will be placed on consolidating its operations, providing high value-added and integrated services whilst increasing SAGT's share of higher yielding domestic volumes with a view of achieving a more balanced mix of transshipment to domestic volumes, in order to optimise profitability.

Bunkering

Prospects for bunkering services are promising in the medium-term, underpinned by Sri Lanka's strategic maritime positioning on key East–West shipping routes and the anticipated increase in vessel calls driven by ongoing port infrastructure developments at the POC, Hambantota International Port (HIP), and the planned expansion of northern and eastern ports. The full commissioning of new terminals, such as WCT-1, ECT, and the future WCT-II and Colombo North Port, is expected to enhance Sri Lanka's appeal as a transshipment hub, generating incremental bunker fuel demand. Growth in regional business activity, particularly in the SAARC (South Asian Association for Regional Cooperation) region is also expected to positively impact the business.

The primary challenge for the bunkering market in Sri Lanka was the limited availability of bonded tank space which hampered the destination's regional competitiveness and the ability to meet increasing demand. Additionally, the pumping and storage charges imposed by the local authorities are also significantly higher than regional charges, such as in Singapore, Fujairah or India. Addressing these issues is pivotal as this will enable industry players to import larger parcels of bunker fuel and avail the opportunity to supply bunker fuel at more competitive prices in line with regional ports. Improved competitiveness is expected to drive bunker volumes in the industry. To capitalise on this opportunity, the business will continue to focus on further consolidating its delivery capacity, and procurement processes in line with market conditions.

Although the industry may experience a shift in volumes from the POC to the HIP in the short to medium term, the Group is of the view that an increase in additional tank capacity in Colombo will aid the overall bunker market, positively impacting both the POC and the HIP.

The business will also evaluate options of supplying alternate fuels in the long term in line with the expectations and timelines of the International Maritime Organisation (IMO) and optimise procurement and inventory management using advanced analytics and data-driven forecasting.

The Government has approved a project to develop 24 oil storage facilities in the upper Trincomalee area under a 50-year lease agreement and is evaluating the possibility of permitting private operators to manage tank storage facilities in Trincomalee. This opens new market entry potential for LMS in the eastern port, which could significantly expand its operational footprint.

Logistics

3PL remains promising in the medium to long term with growth expected primarily from inbound project cargo operations, fast-moving consumer goods (FMCG) and export industries. Increasing regional and domestic trading activity with ongoing infrastructure developments in the country, indicates significant potential for increasing integration into global supply chains and the positioning of Sri Lanka as a regional hub. JKLL will endeavour to optimise costs and drive operational efficiencies, particularly through emphasis on digitisation initiatives. 3PL customers are increasingly seeking end-to end solutions and, in this regard, every effort will be made to ensure a complete service offering.

Airlines

The Airline segment is expected to benefit in the medium to long term from increased trading activity and investment towards uplifting the tourism industry, improved air connectivity between cities and Sri Lanka's growing popularity as a tourist hotspot.

CONSUMER FOODS

Contribution to the John Keells Group

Revenue		11%
EBITDA		15%
PBT		33%
Assets		3%
Carbon Footprint		19%
Employees		8%

Beverages

CSD | Non-CSD

Carbonated soft drinks (CSD) and non-CSD under the Elephant House brand.

- CSD range:
  - Range of unique flavoured CSD products.
  - VIBE, fruit flavoured range.
- Non-CSD range:
  - Water.
  - Twistee, a fruit-based tea drink.
  - Fit-O, a fruit flavoured drink.

Confectionery

Bulk | Impulse

- Wide selection of confectionery products under the Elephant House brand.
  - Range of bulk (muti-serve) and impulse (single-serve) ice cream products.
    - Impulse products include stick, cone, freezer pop and cup varieties.
- Imorich, premium ice cream range.
- Feelgood Range consists of frozen yoghurt and no added sugar ice creams.
- Vegan ice cream range.
- Ice cubes.

Convenience Foods

Range of products under the Keells Krest and Elephant House brands.

- Processed meat products.
- Range of crumbed and formed meat products.
- Range of dry products which includes soya meat, canned food, peanuts and pasta.

Note: The above products comprise a portfolio of leading consumer brands – all household names; supported by an established island-wide distribution channel and dedicated sales team.

		2024/25	2023/24	2022/23
Operational Highlights				
Volume growth:				
Confectionery [1]	%	22	4	(7)
Beverages (CSD)	%	16	10	(7)
Convenience Foods	%	25	(9)	(22)
Financial and Manufactured Capital				
Revenue	Rs.million	38,669	32,897	31,269
EBITDA	Rs.million	6,703	5,010	3,296
EBIT	Rs.million	5,333	3,774	2,210
PBT	Rs.million	4,951	2,974	1,164
PAT	Rs.million	3,487	2,174	1,745
Total assets	Rs.million	28,233	24,861	23,438
Total equity	Rs.million	12,361	11,930	11,052
Total debt [2]	Rs.million	6,280	5,238	6,536
Capital employed [3]	Rs.million	18,767	17,307	17,746
Natural Capital				
Energy consumption	kWh '000	30,297	26,387	25,189
Energy consumption per Rs.million of revenue	kWh/ Rs.million	783.50	802.09	805.55
Carbon footprint	MT	30,753	28,140	26,341
Carbon footprint per Rs.million of revenue	MT/ Rs.million	0.80	0.86	0.84
Water withdrawal	Cubic meters (m^3)	608,905	552,013	494,874
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	15.75	16.78	15.83
Volume of hazardous waste generated	kg	313,787	279,060	254,888
Volume of non hazardous waste generated	kg '000	1,461	1,567	1,239
Waste generated per Rs.million of revenue	kg/ Rs.million	45.89	56.13	47.78
Human Capital				
Total workforce	No.	1,851	1,684	1,568
Total employees	No.	1,507	1,439	1,363
Total contractor's personnel	No.	344	245	205
EBIT per employee	Rs.million	3.54	2.62	1.62
Average training per employee	hours	38.25	34.80	19.21
Total attrition	%	18.51	15.29	14.23
Female employees	%	13	12	11
Total number of injuries	No.	22	17	14
Social and Relationship Capital				
Community Services and Infrastructure Projects [4]	Rs.'000	23,925	20,292	8,717

1. Including Freezer Pops
2. Excludes lease liabilities.
3. Includes lease liabilities.
4. Only the contribution to John Keells Foundation.

External Environment and Operational Review

Macroeconomic Update

- The operating environment in the country continued to strengthen supported by sustained improvement in the country's key macroeconomic indicators. Consumer confidence improved in line with overall macroeconomic stability, easing of inflation and growth in business activity.
- Based on the Central Bank of Sri Lanka (CBSL) statistics, consumption expenditure estimates, at constant prices in CY2024, have increased at a moderate rate due to lower prices on account of downward revisions to cost reflective administered prices and moderation in food prices.

Key Policy and Regulatory Highlights

- Excise duty on carbonated soft drinks was increased by ~7% on average from 11 January 2025.
- Effective from 1 January 2025, a new food labelling and advertising regulation was implemented, which prohibits the promotion of any food and beverages directly or indirectly to children under twelve years of age. Additionally, the use of children in advertisements for such products is not permitted.
- Electricity tariffs for the food and manufacturing sector was revised downwards, on average, by ~18% and ~30% in March 2024 and July 2024, respectively, and ~36% in January 2025, in line with the cost reflective pricing mechanism.

For a detailed discussion, refer the Operating Environment section of the report - page 43.

During the year under review, the Consumer Foods industry group recorded a strong performance, driven by all the businesses which recorded double-digit growth in volumes. Margins across all businesses recorded an improvement on account of declining input costs and electricity costs and the increased operating leverage, due to higher volumes, enabling absorption of fixed costs.

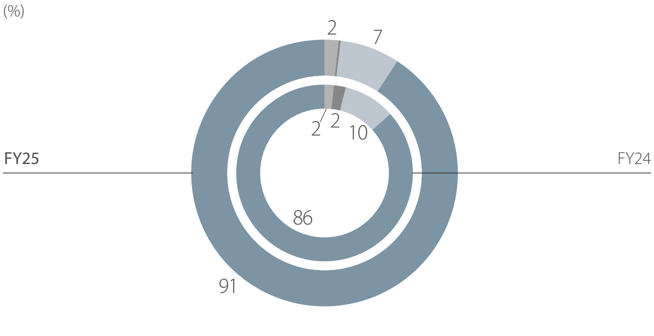
Beverages

The Beverages business recorded an encouraging volume growth of 10% during the year under review [2023/24: 7%] despite the discontinuation and unavailability of products in the non-CSD segment as explained below. This growth was driven by a strong growth in the CSD segment which recorded a volume growth of 16% [2023/24: 10%] due to an increase in consumer activity, improved seasonal sales and favourable weather conditions.

CONSUMER FOODS

The volume contribution from the non-CSD segment declined due to the discontinuation of the flavoured milk category in the third quarter of 2024/25, and a temporary disruption to supplies in the Water segment in the first quarter of 2024/25.

Segements - Beverages Business
(%)

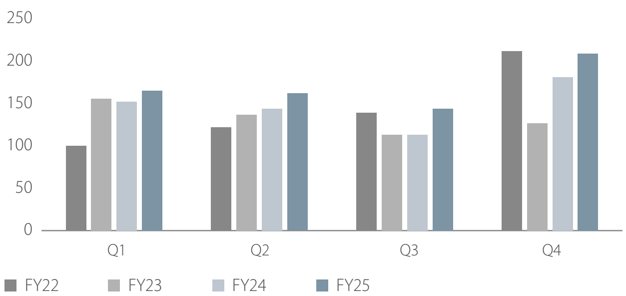


*Discontinued the segment from Q3 2024/25.

91:9
CSD: Non-CSD Volume Mix
[2023/24: 87:13]

Insights

CSD Volumes
(Index: FY22 Q1 = 100)



Volume Growth (%)	Q1	Q2	Q3	Q4	2024/25	2023/24
CSD	8	13	28	16	16	10

- Q1 – The growth in volumes was mainly driven by seasonal sales in the month of April 2024, alongside a continued improvement in consumer sentiment observed since the fourth quarter of 2023/24. This trend aligns with the broader recovery in sales and volumes seen across the FMCG industry.
- Q2 – An encouraging growth momentum continued as consumer activity increased.
- Q3 – The business witnessed volume growth particularly in the seasonal month of December 2024, which was less affected by adverse weather conditions unlike in the months of October and November 2024.
- Q4 – Growth in volumes was driven by seasonal sales coupled with favourable weather conditions and the continued improvement in consumer activity.

During the year, polyethylene terephthalate (PET) volumes witnessed a growth while the returnable glass bottles (RGB) volumes declined given a shift in consumer preferences, particularly due to convenience, retailer preference to maintain stocks in PET bottles and, to a lesser extent, the introduction of the canned range. A steady growth in preference for cans is expected to continue, particularly amongst the younger segment of the market.

The demand for smaller pack sizes consisting of 200 ml and 250 ml continued to be driven by lower price points and a shift in consumption portions. The 500 ml pack size gained traction during the year with its establishment as an 'on-the-go' pack size.

As anticipated, the Beverages business continued to record an improvement in margins on account of declining raw material prices from its peak levels, further aided by the appreciation of the Rupee, cost management actions undertaken by the business and savings from the downward revision of electricity tariffs. Margins of the business are expected to be sustained at current levels given the increasing consumer activity and the business's trade and promotion initiatives to improve its product portfolio and position to drive volumes based on the evolving consumer market.

The business undertook the following cost reduction initiatives to further improve margins:

- Production process improvements in factories to increase output efficiency.
- Negotiations with suppliers to enhance terms and conditions for raw materials and packing materials.

The business continued to expand its distributor network by implementing effective planning and brand building strategies which resulted in an increase in retail penetration. The continued workflow and factory automation programmes, including upgrades to the sales force automation system, enabled the integration of information generated which facilitated numerous data analytics-driven projects.

The business continued to advance its analytics transformation programme, successfully deploying six well-defined use cases. These initiatives have optimised promotional spend across modern trade and general trade segments, enhanced production planning to ensure timely delivery while minimising stockouts, and provided data-driven insights to sales teams for improved market execution.

Additionally, the integration of distributor networks has fostered greater synergies, resulting in better productivity, improved margins, and operational efficiencies. The analytics-driven enhancements targeting distribution network efficiency within the Beverages business are now in advanced stages of deployment.

Product Launch Highlights

- Elephant House 250 ml cans in the core range and chasers.
- Elephant House VIBE 250 ml cans in four flavours.

Partnership with Reliance Group, India, to distribute Elephant House branded beverages in India

In February 2024, Ceylon Cold Stores PLC (CCS) partnered with Reliance Consumer Products Limited (RCPL), the fast-moving consumer goods (FMCG) arm and wholly owned subsidiary of Reliance Retail Ventures Limited (RRVL), to manufacture, market, distribute and sell beverages under the Elephant House brand in India.

Under the partnership which operates as a fee-based franchise business model, CCS will export the CSD flavour concentrate to RCPL. The unique selling proposition for Elephant House is the similarity of the flavour palate between the Sri Lankan and Indian markets, as sampled through pilot studies. RRVL, through its subsidiaries and affiliates, operates an integrated omni-channel network of ~18,700 stores and digital commerce platforms with over three million merchants through its new commerce initiative.

The agreement between RCPL and Elephant House underscores a shared commitment to excellence and innovation, empowering both organisations to capitalise on synergies and amplify their market presence.

Distribution has commenced to the South Indian market and the sales momentum is encouraging. Although contribution to the profitability of the Beverages business from this partnership remains minimal at this point of time, it is expected to ramp-up in the medium-term if the acceptance momentum continues to ramp-up.

Awards

- Elephant House Cream Soda was awarded 'Beverage Brand of the Year' by SLIM Kantar People's Award 2025 for the 16th consecutive year.
- Received the following at the SLIM National Sales Awards 2024:
  - Four Gold awards
  - Five Silver awards
  - One Merit award
- Received Silver at The National Industry Brand Excellence Awards 2024 for 'Best In-House R&D Unit'.

Elephant House VIBE 250 ml cans in four flavours.

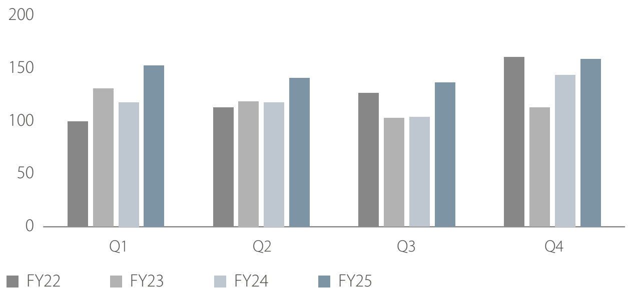
Confectionery

The Confectionery business witnessed a strong growth of 22% in volumes during the year under review [2023/24: 4%]. Volume growth was driven by both the Bulk and Impulse segments which was attributable to an overall increase in consumer activity particularly for the Impulse segment, seasonal demand and favourable weather conditions.

Similar to the Beverages business, margins of the business continued to improve on account of declining raw material prices, further aided by the appreciation of the Rupee, cost management actions undertaken and savings from the downward revision of electricity tariffs. During the year, cocoa prices recorded an increase due to global supply chain disruptions, although this is expected to stabilise in the short term. Similar to the Beverages business, margins of the business are expected to be sustained at current levels given the increasing consumer activity and the business's ongoing trade and promotion initiatives to improve its product portfolio and position to drive volumes based on the changing consumer market.

Insights

Total of Bulk and Impulse Segment Volumes
(Index: Q1 FY22 = 100)



Volume Growth (%)	Q1	Q2	Q3	Q4	2024/25	2023/24
Confectionery	27	17	34	12	22	4

- Q1 – The volume growth momentum witnessed in Q4 of the previous year continued to Q1 driven by seasonal sales in the months of April and May 2024, particularly for the Bulk segment, albeit off a lower base.
- Q2 – Growth in volumes continued as consumer activity continued its growth momentum.
- Q3 – The business witnessed significant volume growth in the seasonal month of December 2024, which was less affected by adverse weather conditions unlike in the months of October and November 2023. Additionally, the continued stability in the overall macroeconomy supported an increase in consumer activity contributed to volume growth.
- It should be noted that the recovery in the Confectionery volumes in the previous year lagged that of the Beverages business. The Confectionery business witnessed a negative growth in the first three quarters of 2023/24 although at a reducing pace. The lower base effect also aided the volume growth in the first three quarters of 2024/25.
- Q4 – Growth in volumes was driven by seasonal sales coupled with favourable weather conditions and the continued increase in consumer activity.

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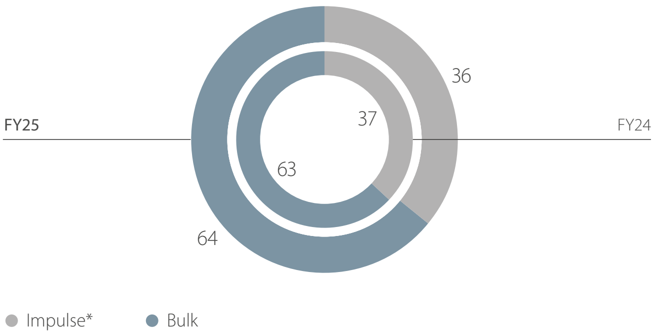
CONSUMER FOODS

As envisaged, in line with the long term strategy of the business and trends witnessed in regional markets, the Confectionery business is expected to witness an increase in the volume contribution from the Impulse segment given the lifestyle and convenience aspects of the product offering. During the year under review, 'out of home' consumption increased which was driven by the affordability relative to a larger pack size, and an alternative to a dessert which is priced at a much higher point.

Bulk: Impulse Volume Mix
(%)



Includes freezer pops.

During the year, the premium range recorded a relatively stronger growth in volumes.

The business undertook the following cost reduction initiatives to further improve margins:

- Improved production process and efficiency in factories.
- Negotiated with suppliers to enhance working capital terms and conditions for raw materials and packing materials.
- Continued to enhance the 'Beelive Connected Factory internet of things (IoT)' initiative, which helped monitor key production/storage metrics in real time, that was successfully implemented previously at the ice cream facility in Seethawaka.
- Launched the second phase of the E2EQuality project where a temperature tracking system was implemented.
- Implemented a centralised IoT platform for the facility in Ranala which would facilitate temperature and energy monitoring.

The Confectionery business continues to advance its analytics transformation with two deployed use cases designed to improve margins for both the business and its distributors, and to optimise stock keeping unit (SKU) assortment in alignment with sales strategies to improve outlet-level performance. Use cases aimed at augmenting the efficiency of the distribution network of the Confectionery business are in advanced stages of deployment.

The business also continued to invest in salesforce automation services through mobile applications to improve the efficiency of sales teams across the country.

Retail penetration was enhanced through an increase in the frequency of distributor visits to retail outlets which enabled better outlet servicing.

In line with the business's product portfolio expansion plans, the business will invest in the expansion of impulse capacity to enhance its product offerings at competitive prices. Operations are expected to commence in a phased manner, starting from 2025/26.

Product Launch Highlights

- Tubs: introduced a variety of flavours under the Ape Rasa range which features unique flavours tailored to the Sri Lankan palate.
- Rebranding of Wonder range.
- Cones: under Imorich brand in three flavours.
- Vegan range with two flavours.
- Sticks in two new local flavours.

Awards

- Received the following at the SLIM National Sales Awards 2024:
  - Two Gold awards
  - Three Silver awards
  - One Bronze award
  - Two Merit award
- Received the Silver award in the 'Large Category - Confectionery Products' sector at Annual Export Awards organized by National Chamber of Exporters of Sri Lanka.

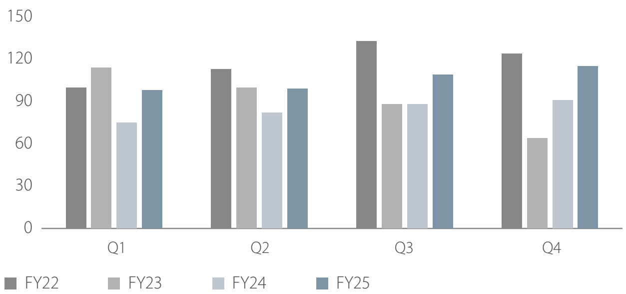
Introduced a variety of flavours under the Ape Rasa range.

Convenience Foods

Keells Food Products PLC (KFP) recorded a significant volume growth of 25% during 2024/25 [2023/24: negative 9%] driven by an increase in demand due to a rise in consumer activity on the back of a stable macroeconomy, which also resulted in consumers shifting their spend towards more discretionary items. The strategic price revisions undertaken in the previous year, which improved product affordability, also contributed towards volume growth.

Insights

Convenience Foods Volumes
(Index: FY22 Q1 = 100)



** Domestic financial crisis*

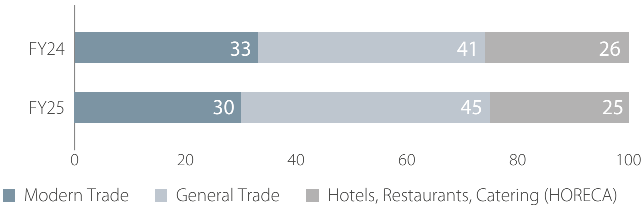
Volume Growth (%)	Q1	Q2	Q3	Q4	2024/25	2023/24
Convenience Foods	31	21	24	24	25	(9)

- Q1 – Volume growth continued its momentum from the previous quarter (Q4 of 2023/24) in tandem with the recovery in consumer spend for more discretionary items which was further supported by downward price revisions undertaken on select products in 2023/24.
- Q2– Volume growth was driven by a continued recovery in consumer activity and lower input cost benefits transferred to consumers.
- Q3 and Q4 – Growth was driven by seasonal sales and a continued recovery in consumer activity.
- It should be noted that the business witnessed a negative volume growth in the first three quarters of 2023/24 although at a reducing pace.

During the year under review, the business maintained its position as the market leader in the processed meats category.

- The retail sausages and meatballs categories recorded a growth of 16% and 4%, respectively [2023/24: negative 21% and negative 23%, respectively].
- The retail sausages category contributes ~25% to the overall volumes and during the year, while the catering sausages and chinese rolls segments combined, contributed ~24% to overall volumes.

Channel Mix
(As a % of total channel volumes)



The general trade channel recovered at a fast pace given the availability of smaller pack sizes and value for money packs. Recovery in the HORECA channel followed the general trade although the modern trade channel witnessed a lag. The HORECA channel demonstrated a growth in volumes driven by higher tourist arrivals and higher consumer activity during the year. The Hotel channel achieved its highest volume in December 2024, the best performance since CY2019.

The business continued to expand its dry category by introducing new products in the pasta, canned food, and snacks segments throughout the year. This aligns with the business's strategic objective to expand and diversify its product portfolio while leveraging off the existing distribution network.

Supply chain related disruptions remained minimal despite price volatilities of inputs and availability of pork products due to the African swine flu. During the year, the business entered into forward contracts to secure stocks, minimise production disruptions and ensure continued availability of products. It also continued to undertake initiatives to manage working capital requirements, including negotiations with suppliers to revert to previous letter of credit (LC) terms and reducing stock holding periods.

The business undertook the following initiatives:

- Enhanced logistics management with the implementation of automated route planning.
- Standardised the manufacturing process in Pannala and Ja-Ela to minimise wastage.
- Enhanced productivity through automation of the meat allocation process at the warehouse.
- Revamped the omni channel to drive sales volumes.

The business continued its proactive retail drive by expanding its distributor network and increased trade spend, both of which are aimed at ensuring wider product availability and delivering on 'value for money' products.

During the year, the business expanded its export business to Australia and New Zealand under the Elephant House brand.

Product Launch Highlights

- Expanded the dry category with the introduction of Keells Krest Peanuts.
- Launched Swedish Meatballs, Jalapeno Sausages and a variety of seasonal hams, canned fish and chicken spreads under the Elephant House brand.
- Launched two party platters under the Keells Krest brand.

INDUSTRY GROUP REVIEW

CONSUMER FOODS

Awards

- National Convention on Quality and Productivity, organised by Sri Lanka Association for the Advancement of Quality and Productivity:
  - Silver award - under the 'Quality Control Circle' category
  - Silver award - under the 'Cross Functional Team' category
- Awarded Silver at the National Chamber of Exporters Annual Export Awards under the 'Processed Food Products sector – Medium' category.
- National Industry Brand Excellence Awards 2024:
  - Keells Food Products PLC received a Merit Award.
  - Merit Award for 'Best In-house R&D Unit'.
- Received a sustainability performance certificate at the highest rank under waste minimisation and resource saving for PROMISE project in southern South Asia.
- Received Bronze for the 'Best Food and Beverages Website' at the BestWeb.lk Awards 2024 organised by LK Domain Registry.

Expanded the dry category with the introduction of Keells Krest Peanuts.

Financial Performance Review

Income Statement Indicators

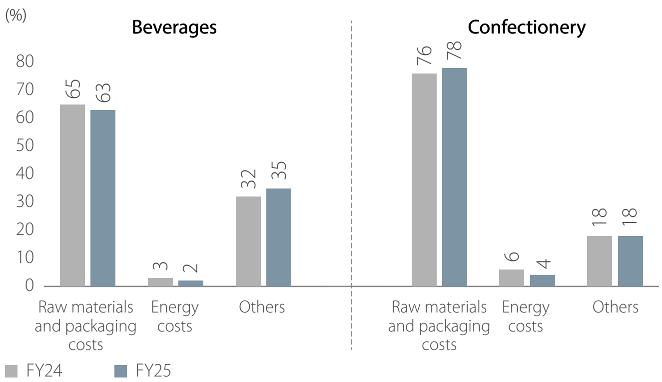
Rs.million	2024/25	2023/24	%
Revenue			
Beverages and Confectionery	33,505	28,548	17
Convenience Foods	5,164	4,349	19
Total	**38,669**	**32,897**	**18**
EBITDA*			
Beverages and Confectionery	6,250	4,893	28
Convenience Foods	453	117	287
Total	**6,703**	**5,010**	**34**
PBT			
Beverages and Confectionery	4,794	3,249	48
Convenience Foods	157	(275)	157
Total	**4,951**	**2,974**	**66**

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

Beverages and Confectionery businesses

2024/25 (%)	Q1	Q2	Q3	Q4	Full Year
Beverages (CSD) revenue growth	20	24	36	20	24
Beverages (CSD) volume growth	8	13	28	16	16
Confectionery revenue growth	19	13	29	10	17
Confectionery volume growth	27	17	34	12	22
Beverages and Confectionery EBITDA (Rs.million)	1,410	1,523	1,173	2,145	6,250
Beverages and Confectionery EBITDA growth	94	25	39	2	28

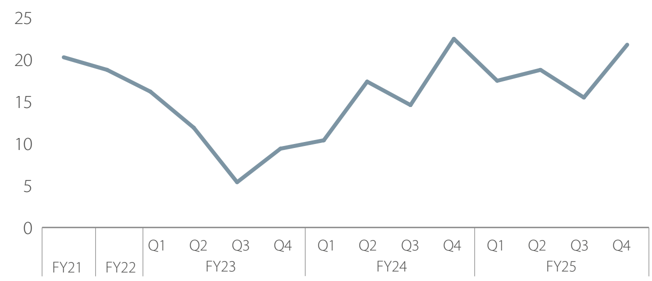
- As outlined in the External Environment and Operational Review, the Beverages and Confectionery businesses recorded strong growth in revenue on account of double-digit volume growth in both businesses, driven by an increase in consumer activity, seasonal sales and favourable weather conditions.
- The EBITDA of the Beverages and Confectionery businesses recorded an improvement driven by growth in margins due to declining input costs and electricity costs and the increased operating leverage, due to higher volumes, enabling absorption of fixed costs. Additionally, cost management initiatives undertaken by the business supported margins. For further details on initiatives undertaken to improve margins refer the External Environment and Operational Review section.
- Cost of sales breakdown



  - Whilst overall cost of sales increased in line with the growth in volumes the Beverages business was impacted by an increase in excise duties on carbonated soft drinks which were effective from 1 January 2024 and a further increase in the same in Q4 2024/25.
  - 2024/25 reflects a full-year impact of the sugar levy which was effective from November 2023, which resulted in higher sugar raw material prices for the businesses in the year under review. In comparison, the levy had only a partial effect in 2023/24.

- The Bulk:Impulse revenue mix was at 48:52 during the year under review, compared with 46:54 in 2023/24.
- During the year under review, the EBITDA margin of the Beverages and Confectionery businesses increased to 19% [2023/24: 17%] mainly driven by the Confectionery business.
  - EBITDA of the Confectionery business was mainly driven by the impulse segment given its higher product margins.
- The PBT of the Beverages and Confectionery businesses recorded a significant improvement driven by the increase in EBITDA, further supported by the decline in finance expenses on account of the easing of interest rates despite higher working capital requirements.

Beverages and Confectionery EBITDA Margins
(%)



Convenience Foods

2024/25 (%)	Q1	Q2	Q3	Q4
Convenience Foods revenue growth	14	15	15	18
Convenience Foods volume growth	31	21	24	24
Convenience Foods EBITDA (Rs.million)	83	88	133	149

- As outlined in the External Environment and Operational Review, growth in revenue was on account of strong volume growth in 2024/25 driven by an increase in demand and a shift in consumer spend towards more discretionary items. The revisions in pack size and price undertaken to improve product affordability in the previous financial year supported volume growth.
- The general trade, modern trade and HORECA channels recorded a significant growth in volumes of 37%, 19% and 21% respectively.
  - The general trade channel recovered at a fast pace given the availability of smaller pack sizes and value for money packs. The HORECA and modern trade channels demonstrated a growth in volumes driven by higher tourist arrivals and higher consumer activity during the year.
- Similar to the Beverages and Confectionery businesses, EBITDA of the business improved due to growth in margins driven by declining input costs and electricity costs and the increased operating leverage, due to higher volumes, enabling absorption of fixed costs. Further, the business undertook process improvements as detailed in the External Environment and Operational Review, to drive margins.
- During the year under review, the EBITDA margin of the Convenience Foods business increased to 9% driven by volume growth [2023/24: 3%]
- The PBT of the business recorded a significant improvement driven by the increase in EBITDA, further supported by the decline in finance expenses on account of the easing of interest rates and normalisation of working capital cycles.

The fair value gains and losses on investment property (IP) pertaining to CCS was recorded at Rs.19 million [2023/24: Rs.17 million]. The recurring EBITDA of the industry group, excluding the fair value gains and losses on IP amounted to Rs.6.68 billion [2023/2: Rs.4.99 billion].

Balance Sheet Indicators

Rs.million	2024/25	2023/24	%
Assets			
Beverages and Confectionery	24,150	21,147	14
Convenience Foods	4,083	3,714	10
Total	28,233	24,861	14
Debt*			
Beverages and Confectionery	5,247	4,163	26
Convenience Foods	1,033	1,074	(4)
Total	6,280	5,237	20

**Excludes lease liabilities.*

- The Beverages and Confectionery businesses recorded an increase in assets due to investment in ~2,220 freezers and ~780 coolers during the year under review [2023/24: ~640 freezers only].
- Assets of the Convenience Foods business increased due to increased inventory and trade receivables with the increase in operations.
- The increase in debt is primarily attributable to the increased working capital requirements and business expansions funded by bank overdrafts with the increase in operations.

Lease liabilities as at 31 March 2025 stood at Rs.125 million [2023/24: Rs.139 million]. Total debt including leases stood at Rs.6.41 billion as at 31 March 2025 [2023/24: Rs.5.38 billion].

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	29.6		13.8		1.46		1.47
2023/24	21.5		11.5		1.36		1.38

- The increase in ROCE was driven primarily by the increase in the EBIT margins, revenue and debt at the Beverages and Confectionery businesses.

INDUSTRY GROUP REVIEW

CONSUMER FOODS

Outlook and Risks

The Consumer Foods industry group, comprising Beverages, Confectionery, and Convenience Foods, recorded a strong performance in 2024/25, sustaining the encouraging growth momentum witnessed over multiple quarters and is envisaged to continue on the back of improving consumer confidence, and stabilising macroeconomic environment and input costs. The Group remains confident of the underlying fundamentals of the industries these businesses operate in and will look to expand its portfolio reach and offering.

Key risks, and emerging opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Changes in the regulatory environment*
  - Negative impacts on consumer demand and confidence
- Supply chain disruptions* and cost pressures
  - Potential increase in input costs stemming from geopolitical tensions, global impacts and domestic developments
  - Increase in power and energy costs
- Financial exposure* and exchange rate volatility
- Global competitiveness* and evolving consumer preferences
  - Increased demand for affordability and convenience impacting product offers and strategy
- Human resources and talent management*
- Environment and health & safety* including climate risk
- Information technology*
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion.*

Opportunities Horizon

- New niche segments for unique flavours
- Emphasis on environmental sustainability, labelling prerequisites and sustainable packaging
- Premiumisation
- Technological integration, including artificial intelligence (AI), into food safety and product development
- Expansion into new international markets
- Shifts in consumer behaviour towards healthier alternatives
- Increase in tourist arrivals
- Demand in the urban areas seem to be relatively more inelastic in comparison to non-urban areas within the country

Immediate to Short Term

Demand and supply dynamics and consumption trends

- Volumes are envisaged to move in tandem with the overall macroeconomic recovery, supported by low market penetration.
- The low-interest rate environment is anticipated to further enhance household disposable incomes, encouraging increased consumer spending across core product categories.
- Smaller pack sizes are expected to gain further traction, offering affordability and convenience while expanding consumer reach.
- The Confectionery business will explore opportunities to expand its portfolio beyond ice cream, capitalising on its existing manufacturing and distribution network. The introduction of new product categories will be strategically guided by commercial feasibility and shifting consumer preferences.
- The Confectionery business anticipates continued growth across both the Bulk and Impulse segments. However, unpredictable weather patterns and temporary raw material scarcity, such as with cocoa, may pose challenges.
- Rising tourist arrivals are expected to stimulate incremental demand, particularly within the HORECA channel.
- The Convenience Foods business will focus on affordability and expanding its presence in the dry distribution channel, while managing challenges associated with input price volatility, particularly in chicken and pork.
- The rising demand for healthier, functional foods and wellness-focused product lines and increased on-the-go consumption driving growth.
- The businesses will continue to focus on re-inventing its portfolio of products while also enhancing packaging and product presentation to appeal to a broader demographic, whilst maintaining focus on cost optimisation.
- The Beverage business will focus on enhancing market reach in India through its partnership with RCPL.

Costs and margins

- The stabilisation of foreign exchange rates is expected to continue to support input cost management and alleviate pressure on margins.
- Over the past 18 months, electricity tariffs have undergone multiple downward revisions, including a ~36% reduction in January 2025. An 18% increase in electricity tariffs has been recently proposed, which is currently under consideration. Despite this adjustment, tariffs will remain lower than the previous year. Businesses will continue to proactively monitor these changes and explore cost-saving initiatives to optimise energy expenses.
- Increased competitive pressures will necessitate pricing and distribution strategies, operational efficiencies, and effective cost management to maintain margins.

Capacity enhancements:

- The businesses will continue to focus on maximising the utilisation of existing capacity, including the recent acquisition of the can manufacturing plant.
- The business will undertake strategic investments to expand Impulse production to enable the development of new product innovations, reduce manufacturing costs, improve efficiency, and cater to the growing demand for impulse offerings.
- As utilisation levels in the businesses near capacity in the short to medium term, strategic investment decisions will be essential to sustain growth. In the event the volume growth is sustained, selective capacity expansions will be required, where the funding of such investments can be managed through internally generated cash flows.

Managing stakeholders and product responsibility:

- Emphasis will be placed on maintaining rigorous engagement with suppliers and distributors to ensure a seamless supply chain, strengthening the procurement process, better management of working capital cycles and reduced credit risk exposure.
- Focus on further streamlining the distributor network to ensure greater stability and consistency for the future.
- Talent retention will be a key area of focus, particularly in light of increased job opportunities overseas.
- Investment in sustainability initiatives will continue, with a focus on expanding the network of material recovery facilities (MRFs) to further reinforce its commitment to responsible business practices. The business has plans to increase this footprint to a total of 25 by end-2025/26.
- Additionally, updated food labelling requirements, effective 1 July 2025, will empower consumers with essential information, including nutritional values and detailed ingredient lists, to make informed food choices. These updates address gaps in the regulations established in 2005 and align the framework with international standards.

Advanced analytics:

- Emphasis will be placed on sustaining and enhancing the efficacy of the existing use cases deployed within the Beverages and Confectionery businesses, particularly those related to promotional spend optimisation, production planning, and margin improvement across distribution networks.
- Additional benefits are anticipated from new use cases currently being piloted and in advanced development stages, with implementation expected during the upcoming financial year.

Medium to Long Term

The businesses envisage continued growth driven by improving consumer confidence and macroeconomic stability. The strategic focus will remain on expanding distribution, product innovation, digital transformation, and sustainability initiatives to capture emerging opportunities and create long term stakeholder value.

Low market penetration presents significant growth potential

- The penetration of consumer food products in Sri Lanka continues to be relatively low in comparison to global and regional peers, demonstrating the significant potential in these industries.
- Given the higher penetration within urban areas, the Group expects growth from the outskirts of the country to be a substantial driver of medium to long term growth, despite the lower base.
- Businesses will capitalise on this opportunity by investing in its supply chain and augmenting its portfolio of offerings in line with evolving trends.

Ongoing investment in digitisation and advanced analytics

- Digitisation initiatives are expected to deliver sustained productivity gains, cost savings, and support the identification of new growth opportunities.

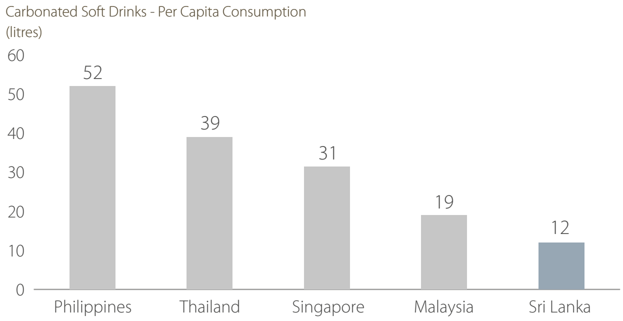
Evolving consumer preferences

- The industry group has numerous long term opportunities given evolving consumer tastes and preferences which create niche, yet substantial, markets that would aid the businesses to innovate and explore more personalised offerings, as witnessed through the Imorich brand of the Confectionery business.

Beverages

Insights

Low consumption patterns and penetration reflects potential for growth in the CSD market



Source: Company analysis

- Per capita packaged beverage consumption in Sri Lanka is well below regional and global averages highlighting the growth potential for the beverage market in the country.
- As a leading player in the beverages market, the Beverage business will leverage on its strong brand equity and distribution network to capitalise on this opportunity through a continuing pipeline of products.

CONSUMER FOODS

The Beverages business will focus on the following:

- Continuing to develop its portfolio in line with evolving market trends, regulatory changes on calorific sugar content, and sustainability imperatives with a focus on healthier and sustainable products.
- Expanding smaller pack sizes to enhance affordability and increase market penetration.
- Consolidating its current CSD portfolio, such as the new range of canned flavours, and discontinuing non-performing SKUs.
- Prioritising the extension of the current non-CSD range, based on market opportunities.
- Consolidating and stabilising distributor networks whilst improving sales force efficiency through digital means.
- Exploring new operating models, alternative marketing channels and methods of engagement to adapt to changing consumer behaviour and digitisation trends.
- Expanding export markets to increase global reach, leveraging the Indian market entry to diversify revenue streams.

CSD Portfolio Composition

- The share of CSD as a proportion of total beverages is envisaged to proportionately reduce in the long term in line with the trends witnessed in recent years. However, the prospects for the beverage industry continue to be promising and provide opportunities for growth as the consumers, moving away from CSD, seek alternate beverage options.
- CSD manufacturers worldwide continue to engage in reformulation exercises with the aim of reducing the sugar content of their products and adopting sustainable packaging, whilst extending the portfolios to include non-CSD beverages which are healthier and more nutritious.

Confectionery

Global frozen confectionery markets have witnessed significant growth in recent years, supported by rapid urbanisation, rising disposable incomes, and shifting lifestyle preferences. The overall prospects for the frozen confectionery market in Sri Lanka remain positive and this growth momentum is expected to continue over the medium to long term.

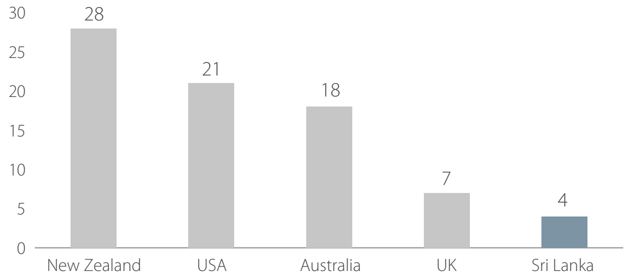
Consumers seeking affordable indulgences continue to drive steady demand for mass-market ice creams, while mainstream flavours remain highly popular. Additionally, the expansion of the tourism sector is boosting demand for premium ice creams. This growth momentum is expected to continue over the medium to long term.

Ice cream consumption in Sri Lanka at ~4 litres per capita is well below global averages, demonstrating the significant potential for growth in this market. In line with global and regional peers, the business expects a gradual shift in the Bulk to Impulse mix towards Impulse products, with Impulse products being the primary driver of the envisaged increase in per capita ice cream consumption in Sri Lanka.

Insights

Low ice cream consumption levels in comparison to foreign markets

Ice Cream – Per Capita Annual Consumption
(litres)

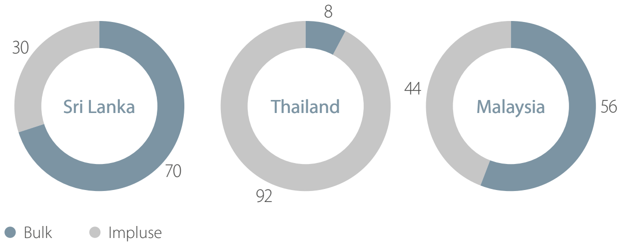


Source: WorldAtlas (2024)

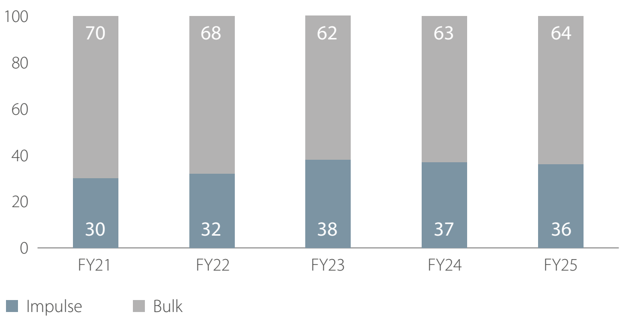
Insights

The bulk:impulse mix of regional markets is highly tilted towards the impulse market, demonstrating the significant potential for the impulse category in the overall ice cream market of Sri Lanka

Bulk:Impulse Mix of Regional Markets
(%)



Bulk:Impulse Volume Mix of the Confectionery Business
(%)



The Confectionery business envisages a similar trend for its portfolio in the long term, in line with the overall market tilt towards Impulse products.

The strategic priorities of the Confectionery business are:

- Consolidating its current Confectionery portfolio, including the expansion of the 'Wellness' range to meet rising consumer demand for healthier indulgence and on flavour innovation to improve product differentiation and consumer appeal.
- Investing in the distribution chain to increase outlet penetration and optimise reach, while enhancing distributor network efficiency.

- Extending operations at the Seethawaka state-of-the-art facility to support the Bulk segment, enabling innovative product development, improved operational efficiencies, and enhanced margins.
- Digitisation and process improvements, especially the implementation of lean initiatives at factories, and leveraging advanced data analytics.

Convenience Foods

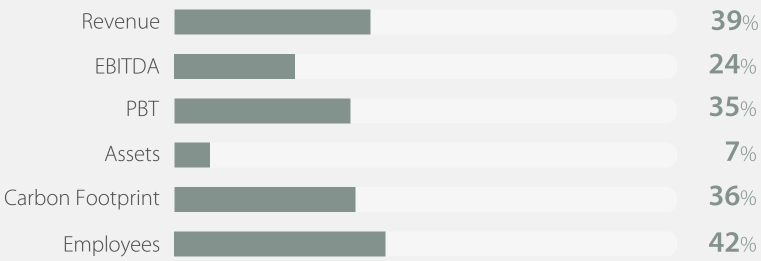
The Convenience Foods business will continue to innovate and expand its portfolio offering. Emphasis will also be placed on staying abreast of market trends and changes in the competitive environment, which is expected to continue seeing the entry of smaller players.

The strategic priorities for the business are:

- Develop product extensions to expand market share, with a focus on convenient and affordable meal options that cater to evolving consumer preferences.
- Focus on consolidating the dry distribution network and sales force to ensure readiness to cater to the envisaged growth in volumes.
- Emphasis on growing the modern and general trade channels, particularly the organised small and medium entities under general trade thereby increasing footprint.
- Continue to augment and diversify the product portfolio to address emerging market trends and consumer demands.
- Expanding presence internationally, particularly in geographies where Sri Lanka expats reside, increasing bespoke solutions offered to outlet networks and caterers as well as the successful expansion of its export business, such as to the Australian market.

RETAIL

Contribution to the John Keells Group



Supermarkets

- Jaykay Marketing Services (Private) Limited (JMSL) operates the Keells chain of modern retail outlets and the Nexus loyalty programme.
  - 138 outlets across the island as at 31 March 2025.
  - ~2.6 million Nexus loyalty card members.
  - 9 collection centres across the country working with ~3,500 active farmers.
  - Employment for ~6,500 individuals.
- The state-of-the-art distribution centre (DC), under LogiPark International (Private) Limited (LPI), centralising JMSL's offerings across the dry, fresh, and chilled categories.
  - A warehouse area of ~260,000 sq. ft.
  - Capacity to cater to over ~250 outlets.
  - Employment for ~600 individuals.

Office Automation

- John Keells Office Automation (JKOA) is the authorised distributor for Office Automation and world-renowned IT enabled brands and is a market leader in providing print solutions for corporates. Brands offered include:
  - Samsung – a range of smartphones, tabs, HTV, and digital signage
  - Toshiba – a range of black and white, colour range of multifunctional printers
  - Asus – commercial series of notebooks and desktops
  - Other products include laser printers, smart board and educational solutions, digital duplicators, cash counting machines, receipt and label printers, multimedia projectors from a variety of world class brands.

New Energy Vehicles

- John Keells CG Auto (Private) Limited (JKCG) is the authorised distributor of new energy vehicles (NEVs) manufactured by BYD Auto Industry Company Limited, China (BYD).

		2024/25	2023/24	2022/23
Operational Highlights				
Same store sales growth	%	14.2	12.3	47.6
Same store footfall growth	%	14.5	12.3	28.3
Average basket value	%	(0.3)	(0.1)	15.1
Financial and Manufactured Capital				
Revenue	Rs.million	138,337	122,502	106,849
EBITDA	Rs.million	10,949	8,767	8,833
EBIT	Rs.million	7,406	5,461	5,678
PBT	Rs.million	5,202	2,938	558
PAT	Rs.million	3,701	2,056	1,296
Total assets	Rs.million	56,921	52,103	49,929
Total equity	Rs.million	7,814	5,358	3,725
Total debt [1]	Rs.million	12,837	14,687	20,510
Capital employed [2]	Rs.million	32,287	31,375	34,587
Natural Capital				
Energy consumption	kWh '000	77,107	78,058	65,996
Energy consumption per Rs.million of revenue	kWh/ Rs.million	557.38	637.20	617.65
Carbon footprint	MT	58,747	49,360	36,689
Carbon footprint per Rs.million of revenue	MT/ Rs.million	0.42	0.40	0.34
Water withdrawal	Cubic meters (m^3)	301,478	287,290	309,325
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	2.18	2.35	2.89
Volume of hazardous waste generated	kg	-	101	421
Volume of non hazardous waste generated	kg '000	5,467	4,617	3,643
Waste generated per Rs.million of revenue	kg/ Rs.million	39.52	37.69	34.10
Human Capital				
Total Workforce	No.	11,534	7,424	7,703
Total employees	No.	7,658	6,466	6,757
Total contractor's personnel	No.	3,876	958	946
EBIT per employee	Rs.million	0.97	0.84	0.84
Average training per employee	hours	27.39	16.29	19.65
Total Attrition	%	106.35	94.94	83.28
Female employees	%	48	46	45
Total number of injuries	No.	231	176	187
Social and Relationship Capital				
Community Services and Infrastructure Projects [3]	Rs.'000	17,872	15,234	18,943

1. Excludes lease liabilities.
2. Includes lease liabilities
3. Only the contribution to John Keells Foundation.

External Environment and Operational Review

Macroeconomic Update

- The operating environment in the country continued to strengthen supported by sustained improvement in the country's key macroeconomic indicators. Consumer confidence improved in line with overall macroeconomic stability, easing of inflation and growth in business activity.
- Based on the Central Bank of Sri Lanka (CBSL) statistics, consumption expenditure estimates, at constant prices in CY2024, have increased at a moderate rate due to lower prices on account of downward revisions to cost reflective administered prices and moderation in food prices.

Key Policy and Regulatory Highlights

- Electricity tariffs for the retail industry were revised downwards, on average, by ~20% in March 2024, ~14% in July 2024 and ~11% in January 2025, in line with the cost reflective pricing mechanism.
- Regulations pertaining to the importation of motor vehicles published in January 2025 include:
  - Value added tax (VAT) of 18% on importation of motor vehicles.
  - Revision of excise duty and a 100% increase in excise duty for electric vehicles.
  - Customs duty (including surcharge) of 30%.

For a detailed discussion, refer the Operating Environment section of the report on page 43.

Supermarkets

The Supermarket business witnessed a strong growth in performance during the year, driven by a double-digit growth in same store sales on the back of an increase in footfall. The sustained increase in footfall is encouraging as it demonstrates the continued potential for higher penetration of certain customer segments. Growth in footfall was further supported by the benefits accruing from the use cases under the advanced data analytics transformation project. Margin improvement in comparison to competitors was supported through various advanced analytics initiatives undertaken by the business in key operational areas including supply chain, marketing and daily operating functions. Various productivity and cost efficiency initiatives and timely supplier negotiations also supported overall performance.

For a detailed discussion, refer the Product and Process initiatives section of this industry group given overleaf.

RETAIL

Key performance indicators pertaining to the Supermarket business:

%	2024/25	2023/24
Same store footfall growth	14.5	12.3
Average basket value (ABV) growth	(0.3)	(0.1)
Same store sales growth	14.2	12.3

2024/25 (%)	Q1	Q2	Q3	Q4
Same store footfall growth	11.9	12.3	14.2	19.1
ABV growth	0.1	1.4	0.0	(2.4)
Same store sales growth	12.0	13.8	14.2	16.2

- Growth in same store footfall was driven by both existing and new customers through initiatives undertaken to attract customers.
  - The business continued to witness the conversion from general trade to modern trade, given the ability to offer a diverse range of products at various price points, coupled with the advantages passed on to customers through economies of scale and the Nexus loyalty programme, which significantly contributed to increased footfall.
  - Initiatives in fresh categories contributed to improvements in fresh pricing, the enhancement of the prepared food offering and availability, which in turn attracted new customers, increased shopping frequency of existing customers and supported a higher overall margin.
- The ABV is derived based on the weight of purchase (WOP) representing the average number of items in a basket and the retail selling price (RSP), with the WOP and inflation having an inverse relationship.
  - ABV growth was marginally lower by 0.3% in 2024/25 as the growth in WOP was offset by a relatively higher decrease in RSPs due to the deflation witnessed from the second quarter of 2024/25 onwards.
  - Growth in ABV was positive for the first time in the first quarter of 2024/25, since the first quarter of 2023/24. ABV growth continued to be positive in the second quarter driven by improved consumer confidence and a recovery in consumption of non-essential items.
  - The second half of 2024/25 was relatively more impacted by the decrease in RSP, although WOP continued to record an increase, demonstrating the continued improvement in consumer sentiment and demand.
- While the above factors resulted in a net positive impact on same store sales, the initiatives undertaken by the business to drive footfall and also provide higher value and range for its customers, ensured a higher proportion of the spend remained within the Keells outlet network. Effective promotional campaigns and investments in converting existing standard outlets to extended format outlets which offer a greater range of products to customers also benefited overall same store sales.

During the year under review, as expected, cost pressures from electricity eased with the downward revision of tariffs that were undertaken as against the previous year.

The ensuing section summarises the initiatives undertaken by the Supermarket business to drive performance.

Product and Process Initiatives

- Advanced analytics transformation programme:
  - Identified use cases were fully rolled-out with the value capture of most of the initiatives exceeding expectations. The pilot projects of other use cases being piloted or rolled-out at scale have also demonstrated significant value that can be unlocked by translating advanced analytics insights into frontline business interventions.
  - Use cases related to promotions, pricing, store operations, marketing and procurement have been rolled-out since CY2020 across several segments of the business. These initiatives have contributed to improved margins, operational efficiencies and better product positioning while paving the way for improved customer centricity and servicing.

Key outcomes derived from use cases

- Optimised pricing and promotions
- Better inventory management, SKU availability, and supply chain interventions
- Sustainable profit margins
- Personalised marketing communications
- Improved workforce management
- Maximise customer value
- Better market positioning and customer engagement

- Collection centres:
  - Expanded sourcing locations to minimise supply chain disruptions, enhance the product availability and freshness, thereby providing customers with better value.
  - Relocation of Thambuttegama and Jaffna collection centres to new, well-equipped facilities and enhanced the capacity of the Kuda Oya collection centre to accommodate higher volumes.
- Own label penetration:
  - Increased penetration of the own label range, which is typically priced ~10% lower than comparable brands, to provide customers with alternative 'value for money' options and wider choice.

- The own label portfolio consists of over 350 products across 90 categories. During the year ~50 new products were launched. Further, the own label brand established its presence in new categories such as pasta, rice, condiments, baby products and fabric conditioner.
- Continued implementation of quality control processes which monitors both products and the manufacturing environment to maintain high quality standards.
- Own label products accounted for ~5% of revenue in 2024/25 [2023/24: ~5%].

• Sourcing imported products:
  - Continued with the direct import strategy executed in 2021/22, which aims to offer a range of products at affordable price points by directly liaising with manufacturers, offering a wider selection for customers at competitive prices.
  - The imported product portfolio includes over ~200 products. During the year ~90 products were introduced under various food categories.

• Marketing and promotions:
  - Conducted the 'Endless Range' campaign to draw customers attention to the own label product range and to create awareness of price benefits to customers.
  - Continued with personalised promotions and other initiatives based on customer needs, such as, bank promotions, 'Ada Keells Eken Kamu' and 'Lower than Market Price' items from the fresh category.
    - The Lower than the Market Price initiative offers customers a range of daily essentials including fruits, vegetables, fish and poultry at prices that are competitive against both modern trade and general trade retailers.
  - Introduced product promotions where deep discounts are offered on different items to customers daily.
  - Launched the 'Sounds Like Freshness, Sounds Like Keells' campaign to create awareness of the 'freshness' that defines and differentiates the Keells product offerings within the market.

• Supply chain management:
  - Strengthened and expanded the bulk purchasing strategy to optimise procurement costs and ensure a consistent supply.
  - Enhanced the demand forecasting model and leveraging on machine learning tools to improve stock availability based on outlet sales.
  - Centralised deliveries, forecasting, and ordering processes across multiple product categories to improve inventory visibility and sourcing capabilities.
  - Maintained safety stock levels at collection centres to ensure timely delivery and minimise supply related disruptions.
  - Implemented initiatives to strengthen supplier engagement and performance which have fostered stronger supplier collaboration and improved supply reliability.

• Distribution Centre:
  - The state-of-the-art centralised DC in Kerawalapitiya continued to play a vital role in streamlining operations and ensuring optimum inventory management across the fresh, dry, and chilled categories.
  - The expansion of commercial operations and increased efficiencies at the DC contributed positively to the performance of the Supermarket business in terms of cost effectiveness.
  - The expansion of supplier centralisation for the chilled category and the launch of centralised warehouse operations for the frozen category significantly enhanced efficiency and stock availability.

• Continued the Instore Service project which was initiated in 2023/24 to enhance the customer service experience at outlets. A mystery shopper score of 90% was consistently maintained during the year under review on service-related aspects.

• Other digitisation initiatives:
  - Migrated the loyalty platform to a leading Software as a Service (SaaS) solution supporting advanced features and revamped the Nexus customer portal with improved security and a new interface.
  - Implemented a comprehensive audit and task management application for frontline staff, improving communication between teams.

• Omnichannel strategy initiatives:
  - Launched prepared food on Uber Eats and expanded the number of outlets on PickMe Foods to over 70 outlets to expand the accessibility of offerings.
  - The Keells online store continued to be patronised by its loyal customer base, recording ~8,000 monthly orders, on average.
  - The channel contributed ~1% to revenue in 2024/25.

Outlet Expansion

With the macroeconomic environment stabilising and construction costs declining from peak levels, the business accelerated its outlet expansion plan in the latter half of the year. Six new outlets were opened during the year, whilst two outlets were closed, bringing the total count to 138 outlets as at 31 March 2025. The number of new outlets planned for the upcoming year is significantly higher than 2024/25.

To expand its brand and outlet network, the business utilises both standard and extended formats, tailored to the locality's income distribution, market maturity, and competitive landscape. As a part of its brand expansion efforts, three outlets were upgraded to the extended format during the year under review.

Food and Beverages at extended format outlets.

RETAIL

Insights

The concept of an extended outlet format for select Keells outlets is aimed at enhancing the overall customer experience through best-in-class retail technological solutions, a wider offering, particularly in the prepared food space and premium range, and improved ambience. Despite the additional investment associated with the conversion of the standard format outlets to the extended format, the payback on these investments based on incremental performance has been attractive.

Features of extended format outlets:

Product

- 200+ premium items
- ~7,500 SKUs

Technology

- Self-checkout capability
- Digital automated price tags
- Self-weighing scale

Food and Beverages

- 'Kafe', serves coffee, snacks and other beverages
- Chef's counter serving ready-to-eat meals

During the year, Keells was recognised as the first supermarket chain in Sri Lanka to receive the Green Building Certification for one of its outlets from the Blue Green Sri Lanka National Green Building Certification of the Urban Development Authority. This certification recognises the business's commitment to high standards in sustainable design, energy efficiency and environmental impact.

Awards

- Recognised as the 'Most loved Supermarket Brand' in Sri Lanka by LMD magazine.
- Received the following awards at SLIM Digis 2024:
  - Silver for 'Best Digital Marketing Campaign'
  - Silver for 'Best Use of Creator/Influencer/UGC Content'
  - Silver for 'Digital/Social Media Integration Campaign'
  - Bronze for 'Best Use of AI Technologies'
  - Merit for 'Best Performance Marketing Campaign'
- Winner in the 'Other Service' Category at the National Business Excellence Awards by the Chamber of Commerce.
- Received the National Award of Excellence for the 'Best Supply Chain Practicing Organisation of 2024' in the 'Large Scale Service' Category at the National Supply Chain Excellence Awards 2024 organised by the Institute of Supply and Materials Management (ISMM).
- Winner in the 'Supermarkets, Malls and Shopping Complexes' Category at the Best Management Practices Company Awards 2025.
- Silver award for the digital artificial intelligence (AI) execution of the 'Priceless Moments' campaign at the Four A's Ad Festival 2024.

Office Automation

The Office Automation business witnessed growth in both mobile phones and office automation sales volumes aided by deflationary conditions which prevailed during most of the year and the appreciation of the Rupee, which supported the transfer of pricing benefits to customers.

Despite the highly competitive landscape of the mobile phone market, characterised by low-price product offerings with attractive specifications, the business successfully launched new products and remained competitive during the year. The business also expanded its office automation product portfolio during the year. Digitisation initiatives were also rolled-out aimed at augmenting automation and reporting tools to facilitate data-driven decision making and improved efficiency.

Awards

- Bronze Award from Toshiba Tech Singapore for copier hardware and consumable sales growth.
- Honoured with an award for achieving a sell-in worth USD 26 million during 2024 by Samsung India Electronics Private Limited.

New Energy Vehicles

In November 2023, JKH partnered with BYD Auto Industry Company Limited, the world's leading manufacturer of NEVs, to provide cutting-edge and eco-friendly vehicles to the Sri Lankan market. This new business, John Keells CG Auto (Private) Limited is a joint venture between JKH and Chaudhary Group, Nepal. The prospect for contributing towards a more environmentally friendly and energy efficient alternative, which will support the country, is in alignment with the Group's sustainability agenda.

During the year under review, the Group established the operations of its NEV business, and launched sales. Distribution commenced following the Government's removal of the four-year restriction on private vehicle imports in February 2025. This milestone marks a strategic expansion into the sustainable mobility sector, giving the Group a higher exposure to the country's consumer market and reinforcing our commitment to environmental responsibility.

The total orders received to date have exceeded expectations with BYD capturing a fair share of the market. The business proactively undertook the necessary steps to import the first batch of vehicles of several models, with the first shipment of 500 vehicles arriving in March 2025.

BYD showroom in Colombo.

The handover of vehicles commenced from April onwards. The remaining shipments needed to fulfil the order book is already scheduled, with some arriving in the country in April and May 2025.

Profit on the vehicles will be recognised upon the handover of vehicles to customers. JKCG, together with BYD, have taken steps to ensure the order to delivery cycle is optimised, which will result in a shorter lead time of deliveries and revenue recognition. Based on the current order book, the market potential for NEVs and expectations of deliveries in the ensuing quarter's, the earnings are expected to be material in the context of the Group's performance.

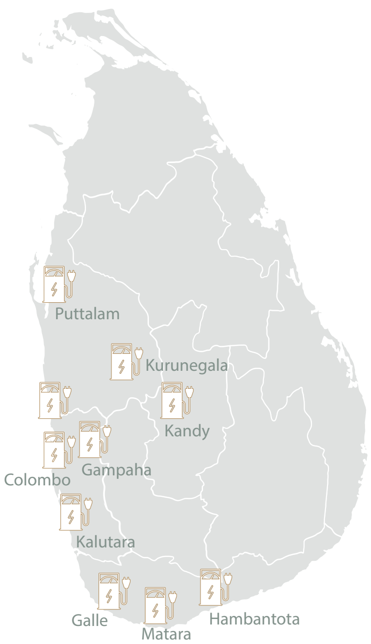
During the year, six models with 16 variants, which are positioned in the affordable luxury vehicle segment, were introduced. The business will continue to selectively expand its range of vehicles to capture different customer segments at varying pricing points in the ensuing quarters.

JKCG has also been chosen as BYD's partner for marketing commercial vehicles in Sri Lanka, marking another key milestone for the business. While the business is yet to launch this officially, the commercial vehicle segment offers significant potential, although the charging infrastructure will also need to be developed to fully capitalise on the opportunity to electrify commercial vehicle fleets.

JKCG expanded its customer reach through strategic partnerships which facilitated better access to vehicle models by expanding through dealerships in the cities of Kandy and Galle.

The business further continued to optimise the Keells supermarket network and other business locations across the country to create the necessary ecosystem required for the NEV business. Ten electric vehicle (EV) chargers were installed in September 2024 at key Keells supermarket locations, augmenting the on-going expansion of the network by other players.

Locations of the EV charging stations:



This section should be referred in conjunction with the Outlook and Risks section of this industry group review - page 177

Financial Performance Review

Income Statement Indicators

Rs.million	2024/25	2023/24	%
Revenue			
Supermarkets	124,349	110,977	12
Office Automation	13,987	11,525	21
New Energy Vehicles	1	-	-
Total	138,337	122,502	13
EBITDA*			
Supermarkets	9,779	7,644	28
Office Automation	1,350	1,147	18
New Energy Vehicles	(180)	(24)	(634)
Total	10,949	8,767	25
PBT **			
Supermarkets	4,224	1,680	151
Office Automation	1,157	1,283	(10)
New Energy Vehicles	(180)	(24)	(634)
Total	5,201	2,938	77

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

***Share of results of equity accounted investees are shown net of all taxes.*

Supermarkets

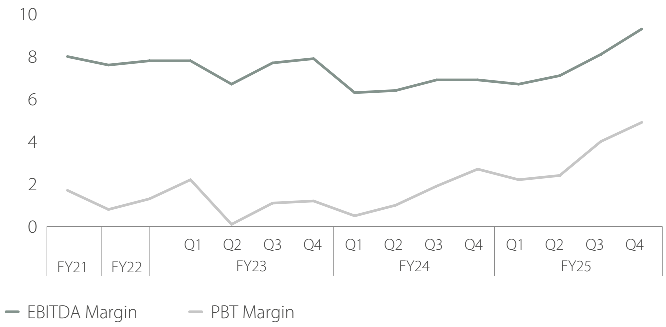
Performance of the business across the quarters:

2024/25	Q1	Q2	Q3	Q4
Same store sales (%)	12.0	13.8	14.2	16.2
Revenue (Rs.million)	30,029	30,103	32,029	32,188
Revenue growth (%)	9	10	11	18
EBITDA (Rs.million)	2,026	2,151	2,601	3,001
EBITDA growth (%)	16	23	30	39
EBITDA margin (%)	6.7	7.1	8.1	9.3

- As outlined in the External Environment and Operational Review, the Supermarket business recorded strong growth in revenue, driven by double-digit growth in same store sales resulting from an increase in footfall.
- In addition to the growth in revenue, EBITDA growth was supported by an improvement in margins. Margin improvement was driven through benefits accruing from the use cases under the advanced data analytics transformation project, as well as various productivity and cost efficiency measures, as outlined in the External Environment and Operational Review. EBITDA margin growth also benefited from the downward revision of electricity tariffs during the year.
- The PBT of the Supermarket business significantly improved due to a decrease in finance expenses on account of lower interest rates and reduced borrowings given the generation of higher cash flows and the normalisation of working capital and operational cycles.

RETAIL

Supermarket Margins
(%)



Office Automation

- The Office Automation business recorded strong growth in revenue driven by the increase in mobile phone and office automation sales volumes. Growth in sales volumes was aided by the appreciation of the Rupee and deflationary conditions that prevailed during most of the year, which supported the transfer of pricing benefits to customers.
- The PBT of the business recorded a decrease despite lower finance costs during 2024/25 on account of lower exchange gains during the year in comparison to 2023/24, emanating from the difference between the costing rate of products and the settlement of bills given the appreciation of the Sri Lankan Rupee.

New Energy Vehicles

As detailed in External Environment and Operational Review, during the year, the business completed the groundwork for the commencement of operations of the New Energy Vehicle business.

The fair value gains and losses on investment property (IP) pertaining to the Supermarket business was recorded at Rs.4.6 million [2023/24: 4.9 million]. The recurring EBITDA of the industry group, excluding the fair value gains and losses on IP amounted to Rs.10.94 billion [2023/24: Rs.8.76 billion].

Balance Sheet Indicators

Rs.million	2024/25	2023/24	%
Assets			
Supermarkets	50,734	47,421	7
Office Automation	6,186	4,681	32
New Energy Vehicles	-	-	-
Total	56,920	52,102	9
Debt*			
Supermarkets	10,744	12,660	(15)
Office Automation	2,093	2,027	3
New Energy Vehicles	-	-	-
Total	12,837	14,687	(13)

Excludes lease liabilities.

Supermarkets

- The increase in the assets was on account of an increase in capital investment for the six new outlets opened during the year and an increase in inventory stocks.
- The higher number of outlets in comparison to the previous year resulted in an increase in the depreciation and amortisation charge of the business.
- The decrease in debt of the Supermarket business was primarily on account of repayment of short term debt utilising cash generated through operations and the normalising of working capital requirements.
- As at 31 March 2025, lease liabilities stood at Rs.11.51 billion, a 3% increase against the Rs.11.19 billion recorded in 2023/24. Total debt including leases stood at Rs.22.25 billion as at 31 March 2025 [2023/24: Rs.23.85 billion].

Office Automation

- The increase in assets was primarily due to an increase in inventory and trade and other receivables resulting from an improvement in operations.
- Debt at the Office Automation business increased due to higher short term borrowings for working capital requirements.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	23.3		5.4		2.45		1.71
2023/24	16.6		4.5		2.40		1.55

- The increase in ROCE in the Retail industry group was due to an increase in EBIT margins at the Supermarket business.
- The increase in capital structure leverage is on account of an increase in assets of both the Supermarket and Office Automation businesses.

Outlook and Risks

The strong performance momentum of the Supermarket business in 2024/25 is expected to continue, supported by sustained consumer footfall, an improving macroeconomic backdrop, and the strategic initiatives implemented by the Supermarket business to drive customer engagement. While consumer discretionary spending remains moderated in comparison to pre-CY2019 levels, the business has witnessed a gradual return in purchasing behaviours, particularly in essential and personal care categories. In this context, the ABV is anticipated to recover in the medium term as purchasing power improves and consumers regain confidence.

The Office Automation business is expected to continue its volume growth trajectory, supported by the stabilisation of the macroeconomic conditions.

The NEV segment continues to build on the strong momentum driven by the successful launch of a diverse range of models, investments in charging infrastructure, and the expansion of its distribution network. The Group remains confident that the strategic foundation established within the NEV business will serve as a catalyst for sustained growth in the future.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Changes in the regulatory environment
- Supply chain disruptions*
- Financial exposure*, in particular exchange rate volatility
- Global competitiveness* and evolving preferences
  - Strong competition at the entry-level market for Office Automation
- Human resources and talent management*
- Environment and health & safety* including climate risks
  - Increasingly volatile weather patterns impacting crops and fresh produce
- Information technology*
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion*

Opportunities Horizon

- Sustained demand witnessed for offerings provided through the extended outlet format of the Supermarket business
- Expansion of the own label range of the Supermarket business, given the affordable, value-for-money proposition
- Demand for omnichannel retailing
- Shift in consumer behaviour towards more energy-efficient alternatives
  - Increase in demand for office automation products powered using renewable energy
  - Higher demand for energy-efficient vehicles

Immediate to Short Term

Supermarkets

Demand and supply dynamics and shopping trends:

- The business anticipates continued resilience in consumer spending, underpinned by the essential nature of the majority of its product mix, which includes fresh produce, personal care items, and household necessities etc.
- Growth in footfall is expected to sustain, aided by higher modern trade penetration, the convenience offered by modern retail formats, scale benefits and promotional strategies which provide value to consumers.
- Prepared food services and on-the-go meal options, which have been well received by customers, is expected to grow further. The business will continue to expand its offerings in this area to meet evolving customer needs and as a driver of frequency of store visits and footfall.
- The structural conversion from general trade to modern trade is expected to continue, supported by economies of scale and value to consumers, and the ability to ensure price stability and availability.
- The number of new outlets planned for the upcoming year is expected to be significantly higher than 2024/25.
- Continue to expand and diversify its own label portfolio, offering customers value-driven alternatives.
- Direct import strategy will remain a key differentiator for the business, enabling consistent availability of globally inspired and high-quality products at competitive price points, aligned with emerging trends in consumer preferences influenced by social media platforms.
- Strengthen its omnichannel strategy, building on the integration of on-demand food and grocery delivery platforms, alongside its mobile app, website, and physical store network, to enhance customer convenience and accessibility.

Costs, margins and supply chain management:

- The state-of-the-art DC continues to be an integral part of the operations of the business as it is pivotal in managing supply chain disruptions and ensuring the outlets are supplied in the most optimum and efficient manner. The DC significantly contributes to process and operational efficiencies, enabling better visibility of the supply chain and reducing stock holding costs.
- Electricity tariffs have declined significantly year-on-year, supported by multiple downward revisions over the past 18 months, including a ~11% reduction in January 2025. However, a proposed increase in June 2025 is expected to offset the most recent reduction. Power and energy costs remain a key component of the business's cost structure and the business will continue to focus on daily monitoring of consumption and increasing the contribution from solar energy generation.
- The continued reduction in inflation and interest rates is expected to aid the business in managing its costs and retaining steady margins going forward.
- Emphasis will also be placed on cost optimisation, productivity and working capital management.

INDUSTRY GROUP REVIEW

RETAIL

Outlet expansion:

- Construction costs have moderated with the strengthening of the Rupee and lower input prices, creating a more conducive environment for expansion.
- Outlets which have the ability to scale up with an expanded offering will be identified for upgrade or converted to the extended outlet format.

Advanced analytics:

- The business will continue with the development and implementation of advanced analytics use cases in order to foster an even greater degree of data-driven decision-making.
- Use cases around promotions, pricing, store operations, marketing and procurement are already yielding promising results and will be enhanced further in 2025/26 to drive margin optimisation and customer engagement.

Managing stakeholders:

- The business remains committed to fostering transparent relationships across its value chain—from customers to suppliers. Internal initiatives to manage workforce attrition—an industry-wide concern—will be scaled, with a focus on training, employer branding, and fostering an inclusive, diverse workplace.

Office Automation

- The performance of the Office Automation business is envisaged to continue its recovery in tandem with stabilising macroeconomic conditions and improving consumer discretionary spending.
- The anticipated implementation of the Telecommunications Regulatory Commission (TRC) initiative to blacklist unauthorised international mobile equipment identity (IMEI) numbers is expected to create a more regulated environment, driving growth for authorised distributors as customers increasingly prefer genuine, warranty-backed products. This will also ensure a more level playing field and eliminate tax revenue collection leakages for the Government.
- Competition in the entry-level and mass-market segments is expected to remain, driven by aggressive pricing strategies and frequent new product launches.
- The business is well-positioned to strengthen its premium product portfolio and drive higher-value sales.
- Potential headwinds include foreign exchange volatility in the country due to geopolitical tensions and global developments such as changes in US tariffs.

The global transition to NEVs is reshaping the automotive industry, and Sri Lanka and JKCG are well positioned to contribute meaningfully to the NEV sector and capitalise on emerging opportunities.

Global Electrical Vehicles Outlook

Regional Performance

China

- CY2024 sales: ~11 million new electric cars (~40% increase from CY2023).
- CY2025 outlook: projected to exceed 60% market share of total car sales in China.

India (Emerging Market)

- CY2024 sales: ~1.9 million electric vehicles (all segments: 2-wheelers, 3-wheelers, and 4-wheelers).
- CY2025 outlook: expected acceleration driven by Government incentives and growing urban demand.
- India is one of the fastest-growing EV markets for two- and three-wheelers.

Indonesia (Emerging Market)

- Growing focus on EV adoption, supported by Government targets and incentives such as reduction of taxes.
- Strong local manufacturing partnerships with Chinese EV makers.

Vietnam (Emerging Market)

- EV sales share doubled reaching 17% of new car sales in CY2024.
- Strong Government support for NEVs with incentives and tax exemptions.

Global EV sales

CY2024:	CY2025:	CY2030:
~ 17 million Units	~ 20 million Units (projected)	~ 45 million Units (projected)

Global market share of total new vehicle sales

CY2024:	CY2025:	CY2030:
~ 20%	~ 25% (projected)	~ 40% (projected)

New Energy Vehicles

Key drivers of global EV growth

- Government policies and regulations:
  - Zero-emission vehicle mandates, internal combustion engine (ICE) vehicle phase-out plans (20+ countries).
  - Subsidies, tax incentives, and regulatory frameworks promoting EV adoption.
- Technological advancements:
  - Over 80% drop in lithium-ion battery costs since CY2010.
  - Improved battery energy density and vehicle range.
- Original equipment manufacturer (OEM) commitment and investment:
  - Major automakers investing over USD 500 billion into electrification globally.
  - Over 500 different EV models available by CY2023 across various price points.
- Charging infrastructure expansion:
  - Global public charging points exceeded 5 million in CY2024 (30% YoY growth).
- Consumer demand and environmental awareness:
  - Growing preference for greener, lower-operating-cost vehicles.
  - Increasing urbanisation driving need for sustainable transport options.
- Cost competitiveness:
  - Some EV models in major markets are reaching upfront price parity with ICE vehicles, especially supported through subsidies.

JKCG continues to strengthen its role in Sri Lanka's shift towards green mobility, with ongoing efforts in the NEV segment gaining further momentum following the lifting of vehicle import restrictions in February 2025.

JKCG's strategic priorities include:

Product diversification

Expanding the NEV portfolio including passenger vehicles and commercial vehicles with multiple new models featuring advanced technology and accessible luxury, catering to a broad range of customer segments.

Network expansion

Strengthening geographic coverage with new showrooms in the Western Province and other key regions through a carefully selected dealer network planned for rollout in the ensuing year.

Charger infrastructure development

Scaling the fast-charger network, supported by a revenue-share model encouraging private investment into smaller charge stations to alleviate range anxiety.

Customer accessibility

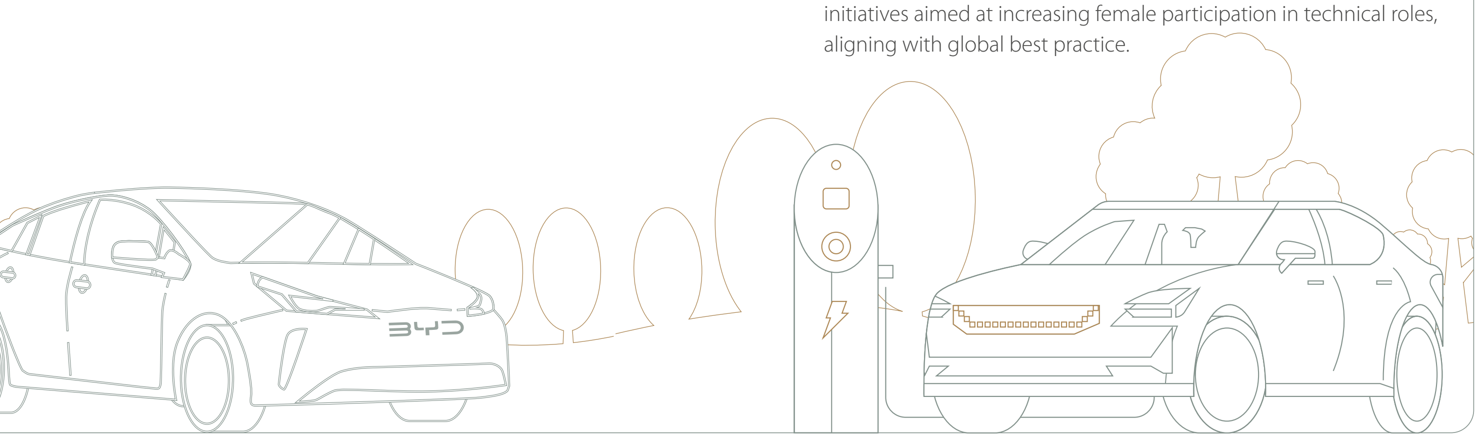
Expanding financing and leasing partnerships to enhance affordability and facilitate easier access to NEVs for a broader customer base.

Macroeconomic variables

While fluctuations in exchange rates, interest rates, and the risk of a potential global recession pose challenges to pricing, signs of macroeconomic stabilisation are expected to support sustained consumer confidence.

Increasing competition, particularly from new Chinese entrants, evolving consumer perceptions, and the slower rollout of public EV infrastructure could impact the pace of adoption. Additionally, risks such as inconsistent tax and duty policies, and potential global supply chain disruptions warrant close attention in the short term.

JKCG continues to invest in comprehensive training programmes to equip its workforce for the evolving NEV market. The business is also advancing diversity and inclusion efforts, particularly through initiatives aimed at increasing female participation in technical roles, aligning with global best practice.



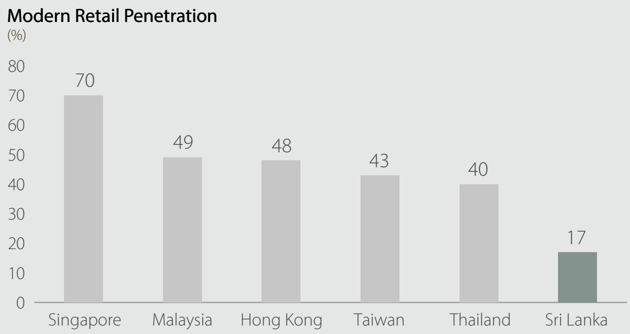
RETAIL

Medium to Long Term

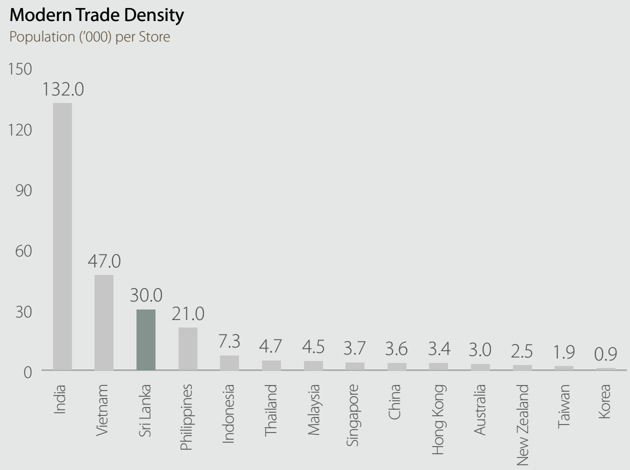
Supermarkets

The long term growth prospects for the modern trade sector in Sri Lanka remain highly attractive. With overall penetration still relatively low compared to regional peers, the business is well-positioned to capture incremental demand as the market matures and customers increasingly gravitate towards modern trade formats for quality, value, and convenience.

Prospects for the modern trade industry in Sri Lanka is promising, given the low penetration of modern trade outlets in the country



Source: Company Analysis



Source: Retail and shopper trends in the Asia Pacific, AC Nielsen.

The strategic priorities of the Supermarket business:

- Differentiating the shopping experience for its customers through its 'fresh' promise, service excellence and quality within five activity pillars; product, price, place, people and the customer.
- Continually expanding its footprint to capitalise on the envisaged growth of the modern trade industry given its low density and penetration levels. Although online sales contribution is expected to gradually increase, consumer behaviour suggests an inclination to shop at physical stores, which will continue to drive growth looking further ahead.
  - Expansion in the medium term would be aimed at both urban and suburban areas, timing such expansion plans based on the macroeconomic landscape and the maturity of these markets.
  - Emphasis will primarily be on expansion through the standard outlet format, which optimises capital expenditure and operational costs until such time as these earmarked markets mature. The business will also evaluate opportunities to grow the extended outlet format.
  - Key challenges include securing lease of land plots in prime locations which are in conformity with brand specifications.
- The continued development of analytics use cases will remain a key enabler in the business's transformation. These initiatives are expected to further enhance the effectiveness of pricing, promotions, customer targeting, and supply chain planning. Over the medium term, greater personalisation and real-time insights will allow the business to deepen customer engagement and drive operational efficiencies across the value chain.
- The business will continue to focus on retaining its labour force by augmenting its recruitment processes, empowering these individuals and focusing on the employer brand.
- Continued emphasis will also be placed on higher own label penetration, through diversification across product tiers, in order to enhance customer choice and drive margins.

Office Automation

JKOA remains confident of the underlying demand for office automation solutions and smart mobile phones, which is expected to be driven by increasing commercial activity within the country, an improvement in business sentiment and rapid urbanisation.

The business will continue to:

- Expand its presence in the market in line with the envisaged growth, whilst leveraging its portfolio of world-class brands and distribution network.
- Capitalise on emerging trends such as the expansion of 5G networks, growing demand for smart devices, and increased adoption of digital lifestyles, by curating a relevant and evolving product portfolio.
- Place emphasis on improving productivity and efficiency in its sales and aftercare operations to ensure high quality customer service. Focus will also be placed on a range of initiatives aimed at digitising the supply chain to consolidate its operations and improve productivity.

New Energy Vehicles

- With the broader automotive industry in Sri Lanka poised for recovery following the resumption of vehicle imports and the structural shift towards sustainable mobility, NEVs are expected to emerge as a dominant growth segment.
- The Group's partnership with BYD places the business at a significant competitive advantage given its positioning in the global NEV market. BYD's full-stack expertise across batteries, electric motors, powertrain systems, and electronic controllers provides JKCG access to best-in-class technology, enabling it to deliver advanced, eco-friendly solutions tailored to the evolving needs of consumers.
- This collaboration enables the Group to offer a range of advanced, eco-friendly passenger vehicles in Sri Lanka, furthering the Group's mission to integrate 'eco-conscious' with diverse lifestyles and making 'electric vehicles' the 'essential vehicle' in people's daily lives.
- The expansion of the NEV product portfolio, combined with continued investment in ecosystem development, particularly in charging infrastructure and customer experience, is expected to drive sustained growth and enhance the overall value proposition of the business.

LEISURE

Contribution to the John Keells Group

Revenue	14%
EBITDA	10%
PBT	(47%)
Assets	49%
Carbon Footprint	38%
Employees	35%

Cinnamon Hotels & Resorts (CH&R)*

City of Dreams Sri Lanka (CODSL)**

The first fully-fledged integrated resort in South Asia.

- Cinnamon Life, a luxurious 687-key hotel which includes 3 ballrooms, 7 meeting rooms, an exhibition hall and a conference hall.
- Nuwa, a 113-key ultra high-end luxury-standard hotel, managed by Melco Resorts and Entertainment (Melco).
- ~500,000 sq. ft. retail and entertainment space.
- ~180,000 sq. ft. for a luxury standard casino leased and operated by Melco.

Colombo Hotels

- Two luxury star class hotels:
  - Cinnamon Grand Colombo - 501 rooms.
  - Cinnamon Lakeside Colombo - 346 rooms.
- Cinnamon Red Colombo, a select service hotel in Colombo – 243 rooms.
- 18 restaurants across the three properties.

Sri Lankan Resorts

- Resorts spread across prime tourism locations in Sri Lanka, leveraging on the natural diversity of the country.
  - 9 resort hotels.
  - 1,237 rooms.

Maldivian Resorts

Resorts located across the Maldives offering unique experiences.

- 4 resort hotels.
- 454 rooms.

**CH&R portfolio and assets are detailed in the ensuing section.*

***CODSL was previously branded as Cinnamon Life Integrated Resort. The two residential apartment towers and the office tower within the precinct are captured under the Property industry group review.*

Hotel Management

- Cinnamon Hotel Management Limited (CHML), the hotel management arm of the Leisure industry group.

Destination Management

- Two destination management companies in Sri Lanka:
  - Walkers Tours
  - Whittall Boustead Travel

LEISURE

		2024/25	2023/24	2022/23
Operational Highlights				
Colombo Hotels [1]				
ARR	USD	81	78	64
Occupancy	%	62	60	42
Sri Lankan Resorts				
ARR	USD	97	79	65
Occupancy	%	65	68	41
Maldivian Resorts				
ARR [2]	USD	271	275	255
Occupancy	%	84	86	88
Financial and Manufactured Capital				
Revenue [3]	Rs.million	50,099	48,167	39,859
EBITDA	Rs.million	4,602	9,157	8,560
EBIT	Rs.million	(3,091)	3,502	2,637
PBT	Rs.million	(7,054)	3,411	(430)
PAT	Rs.million	(7,762)	2,715	(354)
Total assets	Rs.million	413,099	375,724	364,081
Total equity	Rs.million	286,008	243,741	220,207
Total debt [4]	Rs.million	85,209	90,826	102,439
Capital employed [5]	Rs.million	388,532	354,117	345,455
Natural Capital				
Energy consumption	kWh '000	69,161	53,060	48,230
Energy consumption per Rs.million of revenue	kWh/ Rs.million	1,380.49	1,101.59	1,210.01
Carbon footprint	MT	62,409	48,082	43,056
Carbon footprint per Rs.million of revenue	MT/ Rs.million	1.25	1.00	1.08
Water withdrawal	Cubic meters (m^3) '000	1,116	1,162	1,032
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	22.27	24.12	25.89
Volume of hazardous waste generated	kg	120,449	4,896	2,918
Volume of non hazardous waste generated	kg '000	2,736	2,836	2,877
Waste generated per Rs.million of revenue	kg/ Rs.million	57.02	58.99	72.25
Human Capital				
Total workforce	No.	7,626	5,042	6,280
Total employees	No.	6,388	4,524	4,430
Total contractor's personnel	No.	1,238	518	1,850
EBIT per employee	Rs.million	(0.48)	0.77	0.60
Average training per employee	hours	36.89	7.53	45.42
Total attrition	%	37.46	27.90	24.22
Female employees	%	18	16	15
Total number of injuries	No.	70	56	28
Social and Relationship Capital				
Community Services and Infrastructure Projects [6]	Rs.'000	20,582	15,076	-

1. Both Occupancy and ARRs exclude Cinnamon Red Colombo and Cinnamon Life.
2. Net of green tax and allocation (F&B charge).
3. Revenue is inclusive of the Group's share of equity accounted investees.
4. Excludes lease liabilities.
5. For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.
6. Only the contribution to John Keells Foundation.

Cinnamon Hotels & Resorts portfolio:

Hotels in Colombo

- Cinnamon Grand Colombo (501 rooms) ★★★★★
- Cinnamon Lakeside Colombo (346 rooms) ★★★★★
- Cinnamon Life (687 rooms) ★★★★★
- Cinnamon Red Colombo* (243 rooms) ★★★
- Nuwa** (113 rooms) ★★★★★

Resorts – Sri Lanka

- Cinnamon Bey Beruwala (199 rooms) ★★★★★
- Cinnamon Bentota Beach (159 rooms) ★★★★★
- Cinnamon Lodge Habarana (138 rooms) ★★★★★
- Hikka Tranz by Cinnamon (150 rooms) ★★★★
- Cinnamon Citadel Kandy (119 rooms) ★★★★
- Habarana Village by Cinnamon (108 rooms) ★★★★
- Cinnamon Wild Yala (68 rooms) ★★★★
- Trinco Blu by Cinnamon (81 rooms) ★★★★
- Kandy Myst by Cinnamon* (215 rooms) ★★★★

Resorts – Maldives

- Cinnamon Velifushi Maldives (90 rooms) ★★★★★
- Cinnamon Hakuraa Huraa Maldives (100 rooms) ★★★★
- Cinnamon Dhonveli Maldives (152 rooms) ★★★★
- Ellaidhoo Maldives by Cinnamon (112 rooms) ★★★★

Note:
**Minority stake with management rights in Cinnamon Red Colombo and Kandy Myst by Cinnamon.*
***Currently being fitted out.*

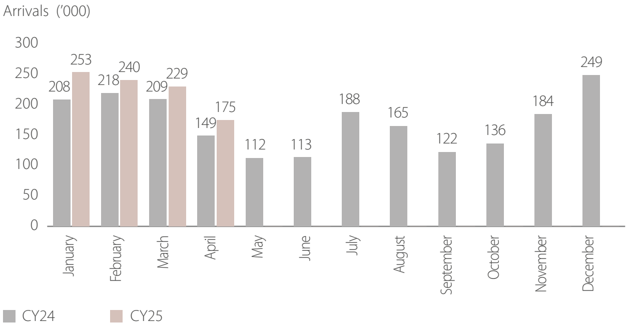
Available freehold land in key tourist hotspots for future developments:

- Ahungalla (Southern Province): 6.5 acres
- Trincomalee (Eastern Province): 14.2 acres
- Nilaveli (Eastern Province): 41.7 acres
- Wirawila (Southern Province): 25.2 acres

Macroeconomic Update – Sri Lanka

- Performance of the Sri Lanka tourism industry:

Tourist Arrivals to Sri Lanka



  - Tourist arrivals to Sri Lanka stood at 2,053,465 for CY2024, a 38% increase against the previous year [CY2023: 1,487,303 arrivals].
  - For 2024/25, tourist arrivals stood at 2,139,957, a 20% increase against the 1,787,408 arrivals recorded in 2023/24. The performance during the winter season in 2024/25 demonstrated a marked improvement compared to the corresponding period of 2023/24.
    - While the early administrative challenges related to visa-on-arrival processes briefly affected arrival growth in the second quarter of 2024/25, these issues were promptly resolved, ensuring a more streamlined entry experience for international travellers.
    - In October 2024, Sri Lanka introduced a six-month pilot programme offering free 30-day tourist visas to travellers from 35 countries as part of a strategic initiative to boost tourism.
    - Total arrivals from January to April 2025 crossed over 890,000, which is above the arrivals recorded in the same period of CY2018 (pre-pandemic levels).
  - Key source markets driving arrivals during CY2024 were India, followed by Russia, the United Kingdom, Germany and China.
  - Tourism earnings in CY2024 increased by 52% to USD 3.16 billion, marking the highest earnings since CY2019 [CY2023: USD 2.07 billion].
- New entrants and hotel room pipeline in Colombo:
  - In April 2024, the ITC Hotel Group, India, opened ITC Ratnadipa in Colombo, a luxury five-star hotel featuring 352 rooms.
  - In October 2024, Cinnamon Life at CODSL was opened, adding 687 luxury five star rooms.
  - In December 2024, the ONYX Hospitality Group, Thailand, opened Amari Colombo, a luxury hotel featuring 167 rooms.
  - The 113 room luxury-standard hotel, Nuwa, at CODSL, is due to open in August 2025.

Key Policy and Regulatory Highlights

- In May 2024, the Sri Lanka Tourism Development Authority (SLTDA) published an Extraordinary Gazette removing the minimum room rates (MRRs) to be charged by tourist hotels located within the limits of the Colombo Municipal Council.
- Electricity tariffs for the hotels sectors were revised downwards, on average, by ~18% in March 2024, ~25% in July 2024 and ~31% in January 2025.
- Bids were called for the construction and completion of Phase II Stage 2 of the Bandaranaike International Airport (BIA) Development Project, funded by the Japan International Cooperation Agency (JICA). This project includes the construction of the main terminal building, two new piers, and associated works such as an elevated roadway. Upon completion, BIA's passenger capacity will increase to 15 million passengers annually.
- As per the National Budget 2025, fiscal proposals and critical infrastructure developments to optimise value generation for local destinations are planned to be implemented during 2025/26.
- Effective 1 April 2025,
  - Corporate tax for betting and gaming entities increased from 40% to 45%.
  - The gross collection levy increased to 18% from 15%.
  - Casino entrance levy increased from USD 50 to USD 100.

Destination Promotions and Recognitions

In March 2025, the Sri Lanka Tourism Promotion Bureau (SLTPB) launched its digital promotional initiative titled 'Sri Lanka: A Story for Every Season', which aims to enhance travel by leveraging digital storytelling and strategic influencer partnerships, with the objective of engaging a global audience of travel enthusiasts.

Despite limited destination marketing efforts, Sri Lanka has maintained a strong appeal among travellers.

In CY2024, Sri Lanka tourism received 15 international endorsements:

- Listed in World Travel Magazine's '25 Under-the-Radar Ideas for Luxurious Holidays in 2025'.
- Ranked 9th in BBC Travel's '25 Best Places to Travel in 2025'.
- Named the fourth most popular solo travel destination by Forbes.
- Awarded Gold by Wanderlust Reader Travel Awards 2024 for rising to the top as the 'Most Desirable Island in the World'.
- Recognised as one of 'The Friendliest Countries in the World in 2024' by Readers' Choice Awards.
- Ranked first for 'Best places for solo female travel in 2024' by Timeout.com.
- Recognised as one of the 'World's most popular cultural destinations in 2024'.
- Recognised as one of the 'Best Countries to Visit in a Lifetime in 2024'.
- Ranked as the fifth-fastest growing tourism destination.
- Sri Lanka Tourism was honoured with the Green Destination Award at ITB Berlin in March 2025 for its many years of efforts in the field of sustainable tourism.
- The south coast of Sri Lanka has been highlighted by Vogue Magazine as 'Winter's must-visit destination in 2025'.
- Colombo-Badulla train journey has been named one of Lonely Planet's 'Top 10 Scenic Train Rides for 2025'.
- Booking.com named Sigiriya as the 'Number 1 Most Welcoming City in the World' for 2025.

Cinnamon Hotels & Resorts (CH&R)

During the year under review, both Sri Lanka and the Maldives witnessed a strong growth in tourist arrivals driven by a rebound in international tourist arrivals, strong demand, robust performance from key source markets, and the ongoing recovery of destinations in Asia and the Pacific region.

The recovery in the tourism industry in Sri Lanka was supported by the continued strengthening of the operating environment, underpinned by sustained improvements in the country's key macroeconomic indicators.

Despite the strengthening of the Rupee, Sri Lanka remains an affordable tourist destination given that the value of the Rupee is still much lower in comparison to the rate witnessed a few years ago. This affordability, coupled with the wide-ranging value proposition of its diverse landscape, cultural heritage and unique offerings that appeal to a broader range of traveller segments, continues to enhance its attractiveness as a destination.

In line with the industry, the Sri Lankan leisure businesses of the Group witnessed an encouraging recovery categorised by increased occupancies and average room rates (ARRs) across most properties, especially during the peak winter season.

Refer the Macroeconomic Update section of this review: Sri Lanka – page 183 and the Maldives – page 186

Awards

- CH&R received the 'Best Digital Integrated Campaign of the Year' award at the Sri Lanka Tourism Awards 2024.

City of Dreams Sri Lanka

The Group's landmark project, the CODSL integrated resort, which is poised to redefine Colombo's luxury hospitality and entertainment landscape, is discussed in detail on page 188.

Colombo Hotels

The Colombo Hotels segment recorded an increase in both ARRs and occupancies. The strong growth in arrivals coupled with the removal of the MRR stipulation in May 2024, aided the quarterly improvement in revenue per available room (RevPAR).

Foreign business travel including meetings, incentives, conferences and exhibitions (MICE) events witnessed a growth during the year driven by an increase in business travel in tandem with the recovery in the economy and interest for Colombo as a MICE destination.

Colombo Hotels	Q1	Q2	Q3	Q4	Full year
Average Room Rate (USD)					
2024/25	**98**	**83**	**78**	**75**	**81**
2023/24	70	69	88	84	78
Occupancy (%)					
2024/25	**40**	**66**	**66**	**77**	**62**
2023/24	49	67	57	67	60

Note:

- *Both ARRs and Occupancy excludes Cinnamon Red Colombo and Cinnamon Life.*
- *The business operated only 242 of its 501 rooms at Cinnamon Grand Colombo in both comparative years, and the indicators reflected above are on a base of 242 operational rooms.*
- *Impact of MRRs and its lagged effects on ARR and occupancy was somewhat evident in the first two quarters of 2024/25. Despite this, on a RevPAR basis, performance was an improvement against the comparative period.*

Performance of the food and beverage (F&B) operations were impacted by an increase in new entrants to the market and a strategic closure of select F&B outlets in the Colombo Hotels segment, as detailed below.

As part of efforts to enhance cost efficiency and align with evolving consumer preferences, particularly with the pipeline of hotels entering the market and the launch of CODSL, several strategic changes have been made across the Colombo Hotels. This includes the closure of Chutneys and Noodles restaurants, the relocation and revamp of Cheers Pub, and streamlining back-end operations to improve workflow. Additionally, workforce requirements were optimised through a voluntary retirement scheme (VRS) at Cinnamon Grand Colombo relating to right-sizing of its operations.

Sri Lankan Resorts

The Sri Lankan Resorts segment recorded a strong growth in performance, driven by an increase in ARRs across properties, on the back of better yield management. The beach resorts, in particular, recorded a strong performance, especially in the second half of 2024/25, driven by increased arrivals.

RevPAR, across quarters, noted an improvement against the comparative period driven by the growth in ARRs, although occupancy was marginally lower.

Sri Lankan Resorts	Q1	Q2	Q3	Q4	Full year
Average Room Rate (USD)					
2024/25	**81**	**78**	**96**	**123**	**97**
2023/24	59	62	80	106	79
Occupancy (%)					
2024/25	**49**	**64**	**68**	**82**	**65**
2023/24	55	71	66	81	68

Strategic initiatives aimed at enhancing operational efficiency and strengthening its product offerings across its properties, coupled with better cost management, contributed to an improvement in margins.

Cinnamon Bentota Beach - Signature Selection

Cinnamon Bentota Beach was repositioned as the Group's foremost Signature Selection hotel, the Group's finest, luxuriously indulgent designer offering outside Colombo, with a vision to benchmark it against leading luxury properties. The transformation artfully combines elevated comfort and bespoke experiences with cultural authenticity, set against a richly multicultural backdrop of striking architectural design.

Cinnamon Bentota Beach - Signature Selection, together with Cinnamon Life at CODSL will serve as pathfinders for the Cinnamon brand.

Kandy Myst by Cinnamon

In February 2025, the Group commenced operations of Kandy Myst by Cinnamon, a hotel located in the heart of Kandy. The property offers a modern hospitality experience along with convenient access to key attractions in the city.

Features:

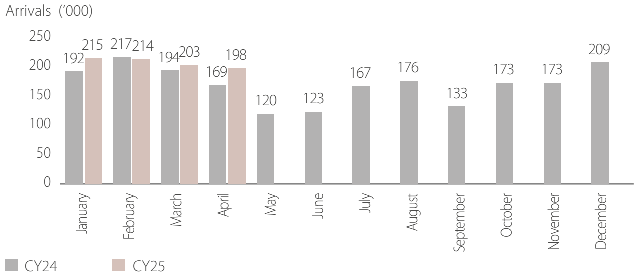
- Partnership – John Keells Hotels PLC (KHL) and Indra Traders (Private) Limited, and managed by CH&R.
- Ownership – KHL has a 40% equity stake in line with the Group's asset-light investment strategy.
- Investment – USD 40 million funded through a combination of borrowings and equity (KHL's equity investment – USD 6 million).
- Rooms – 215 contemporary rooms, the largest room inventory in Kandy.
- Dining and Social Spaces
  - Grains Dining: The city's largest buffet restaurant, seating up to 500 guests, offering a diverse selection of local and international cuisine.
  - Kosmos Skybar: An expansive rooftop bar providing panoramic views and signature cocktails.
  - Terra Lounge: A walk-in coffee shop.
- Design – Design elements are inspired by Kandy's cultural heritage, incorporating features like the 'Wala Kulu Bamma', a decorative barrier around Kandy Lake, and an iconic rooftop structure.
- Sustainability – The hotel has achieved Leadership in Energy and Environmental Design (LEED) Gold certification, highlighting its commitment to sustainability.

LEISURE

Macroeconomic Update – The Maldives

- The gross domestic product (GDP) of the Maldives increased by 6% during CY2024 and is projected to grow at 5% in CY2025 by the Asian Development Bank [CY2023: 4.7%].

Tourist Arrivals to the Maldives



  - The Maldives recorded a 9% increase in arrivals with a total of 2.0 million tourist arrivals in CY2024, in comparison to the 1.9 million arrivals in CY2023.
  - Key source markets driving arrivals during CY2024 were China, followed by Russia, the United Kingdom, Germany and Italy.
  - The momentum in arrivals continued between January and April 2025 with over 820,000 tourists visiting the Maldives during this period, which translates to a 7% growth against the comparative period [January to April 2024: 772,370].
  - Tourist arrivals to the Maldives stood at 2,075,033 for 2024/25, a 6% increase against the previous year [2023/24: 1,958,619 arrivals].
- Occupancy at tourist establishments by type:

%	CY2024	CY2023	CY2022	CY2021
Resort	71	66	71	65
Hotel	28	35	36	42
Guest houses	35	43	31	34
Tourist vessels	26	24	24	19
Average occupancy	59	58	59	56

Source: Ministry of Tourism - Maldives

- The resorts segment noted an increase in occupancy in tandem with the growth in arrivals during 2024/25 and a shift in arrivals from guest houses.
- Departure taxes and airport development fees for foreign travellers departing from Maldivian airports was revised, effective 1 December 2024:
  - Economy Class: from USD 30 to USD 50
  - Business Class: from USD 60 to USD 120
  - First Class: from USD 90 to USD 240
  - Private Jet: from USD 120 to USD 480
- Green tax in the Maldives (charged per guest per night) was doubled, effective 1 January 2025:
  - Tourist resorts, integrated resorts, resort hotels, and tourist vessels: from USD 6 to USD 12
  - Hotels and guesthouses on uninhabited islands or with more than 50 rooms: from USD 6 to USD 12
  - Hotels and guesthouses on inhabited islands with 50 or fewer rooms: from USD 3 to USD 6
- The new international passenger terminal at the Velana International Airport is expected to commence operations by Q3 CY2025. The terminal is designed to accommodate over 7 million passengers annually. Proposed key upgrades:
  - New domestic terminal with capacity to serve 2,000 passengers an hour.
  - Separate terminal for private jets and low-cost carriers.
  - Expansion and development of seaplane facilities.
  - Cargo terminal capacity increase from 100,000 to 300,000 metric tons.
  - Expansion in aircraft parking capacity from 34 to 73.

Maldivian Resorts

The period under review witnessed a reversing of previous trends, where the change in the mix of overall arrivals to the Maldives from source markets with higher yields were lower and a larger share of arrivals were directed to the guest houses segment. The performance of the Maldivian Resorts segment noted an uptick in the second half of the year in tandem with peak arrivals during the winter season. Occupancies, although marginally lower, remained resilient despite the high level of competition in the market. It is encouraging to note that occupancies of the Maldivian Resorts segment outperformed the 71% industry average occupancy across all resorts in the Maldives.

The overall resort market undertook rate reductions to drive volumes, which in turn prompted the Maldivian Resorts segment to adopt similar pricing strategies. Given that operations of the resorts were already at 85-90% occupancy levels, the scope for additional volume-driven growth was limited, resulting in tighter profit margins compared to competitors who benefited from greater operational headroom.

Sri Lankan Resorts	Q1	Q2	Q3	Q4	Full year
Average Room Rate (USD)					
2024/25	235	194	285	364	271
2023/24	235	212	282	362	275
Occupancy (%)					
2024/25	71	89	86	91	84
2023/24	82	82	88	90	86
Average LKR/USD exchange rate					
2024/25	301	302	293	296	299
2023/24	3310	322	323	313	318

**Net of green tax and allocation (F&B charge)*

In addition to the impacts from lower ARRs and occupancy, higher taxes and tariffs, particularly from the doubling of the green tax in the fourth quarter of 2024/25, exerted pressure on margins. Fuel costs were largely stable over the year, although higher than pre-pandemic levels whilst staff costs also remained flat in comparison to the previous year. Strategic initiatives aimed at enhancing operational efficiency, improving cost management and strengthening the segments' product offerings, to an extent, alleviated the pressure on margins.

Awards

Cinnamon Dhonveli Maldives

- Recognised as 'One of the Most Popular Hotels Worldwide' by Holiday Check in 2024.
- Awarded 'Quality Hotel' at TUI Global Hotel Awards 2025.
- Received the 2024 Travel & Tourism Marketing (TTM) Award for 'Best Surf Resort'.
- Received 'Tripadvisor Travellers' Choice 2024' award.
- Received the winning award for 'Leading Surf Hotel/Resort' at South Asian Travel Awards (SATA) 2024.

Cinnamon Velifushi Maldives

- Received the 'Agoda Customer Review' award.

Cinnamon Hakuraa Huraa Maldives

- Recognised amongst the 'Top 100 Hotels 2025' at TUI Global Hotel Awards.
- Winner of 2024 'Travelers' Choice' award.

Hotel Management

The business focused its growth on 3 key areas during the year under review:

- Technology – continuous investment in world class systems to drive sales, identify key markets, review performance, and property and revenue management systems.
- Commercial capacity – established global contact centres to centralise customer communication and strengthened distribution through its existing global sales offices in key source markets.
- Guest personalisation – repositioning of the Cinnamon Bentota Beach - Signature Collection, and use of digital tools for customer relationship management and enhancing sales force performance.

During the year under review, the sector launched the Cinnamon Hospitality Academy, a collaboration between CH&R and the Swiss Hotel Management Academy (SHMA). The academy offers a globally recognised Vocational Education and Training (VET) programme, accredited by Ecole hôtelière de Lausanne (EHL). The Group aims to drive capability and learning and development across the industry, benefiting not only its business, but the overall economy given the shortage of skilled workforce in the industry.

Cinnamon DISCOVERY Loyalty Programme

CH&R became the first Sri Lankan hospitality brand to join the prestigious Global Hotel Alliance (GHA), introducing Cinnamon DISCOVERY—an exclusive loyalty programme designed to enhance guest experiences. This strategic partnership offers guests privileged access to an extraordinary collection of 850 hotels across 40 renowned hotel brands in 100 countries. Members can enjoy benefits such as room upgrades, early check-ins, late check-outs, promotions and special offers depending on their status within the programme. This augurs well for the business to expand its global customer reach.

Further, Cinnamon is collaborating with OCTAVE to develop use cases focusing on energy efficiency and targeted online marketing. The use cases are currently at a pilot stage and are expected to be rolled-out in 2025/26.

Destination Management

The Destination Management segment witnessed a recovery during the year in tandem with the growth in tourist arrivals to Sri Lanka which in turn supported an increase in revenue per passengers (pax).

The business continued to establish ties with key inbound travel partners with the aim of strengthening regional networks and widening its presence in all markets. Additionally, the online business to business (B2B) segment contributed to overall performance whilst a selective approach towards the markets aided the business in optimising costs. The business's tour partner, Kuoni, underwent a re-organisation and as a result witnessed a slow growth in the early part of the year, which noted improved traction thereafter in the latter part of the year.

The Walkers Tours MICE management platform, a comprehensive solution designed to streamline conference and event planning was launched during the year. It facilitates seamless event registration and secure fee collection and serves as an official event website, showcasing all essential event details. It also provides a one-stop solution for booking accommodation, transportation, excursions, spouse programmes, and holiday extensions, ensuring a smooth and enriching experience for all attendees.

Margins of the business were impacted temporarily due to the imposition of value added taxes (VAT), effective from January 2024, which could not be recovered on contracts already priced and entered into for 2024/25.

Awards

- Walkers Tours received the 'Best Sustainable Practices in Specified Tourist Services' award at the Sri Lanka Tourism Awards 2024.
- Whittall Boustead Travel was awarded the 'Agent of the Year 2024' by Kuoni Travel.

LEISURE

City of Dreams Sri Lanka

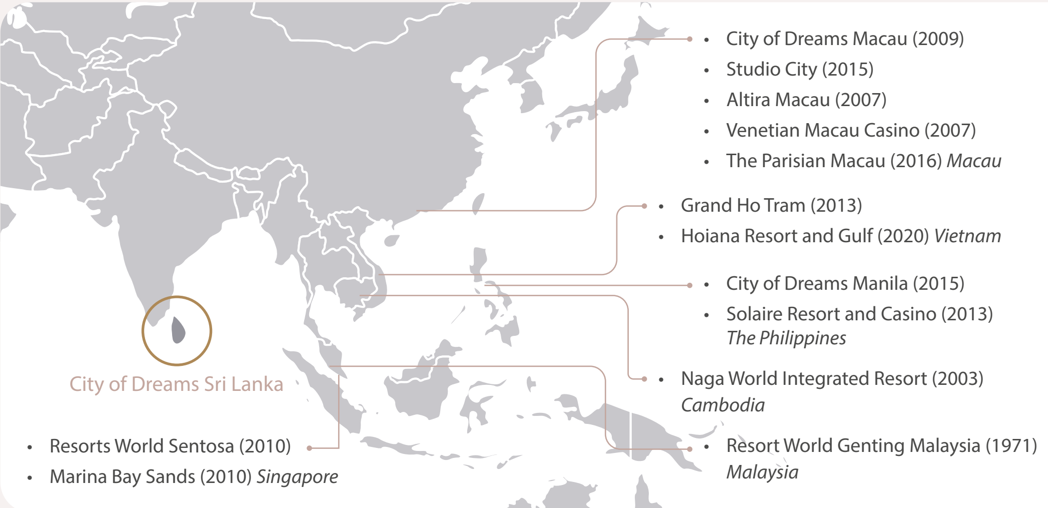
Overview

The 687-key Cinnamon Life hotel, restaurants and banquet facilities commenced operations on 15 October 2024, marking a significant milestone for the Group's iconic integrated resort.

The CODSL offers a range of world-class facilities, including a high-end retail mall, gourmet dining options, and entertainment venues, creating a vibrant and dynamic destination for both locals and tourists.

Being the first fully-fledged integrated resort in the whole of South Asia, the property and its product offerings are expected to create an upsurge in tourism, foreign exchange earnings and employment generation in the city of Colombo.

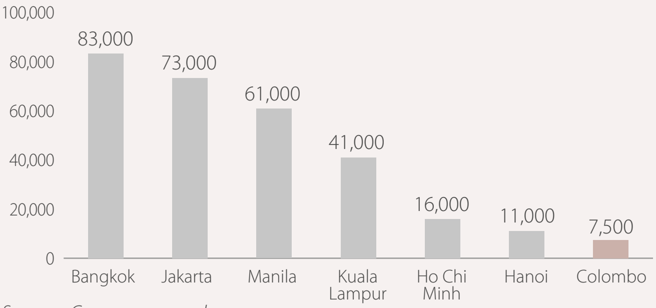
First fully fledged Integrated Resort (IR) in South Asia:



- No new developments planned within the region in the medium-term.
- City of Dreams Sri Lanka will primarily focus on international revenue from feeder markets in the region.

Note: List of IRs captured in the above is not exhaustive.

Room Inventory in Colombo Lags Far Behind Other Popular Regional Capital Cities
(Approx. no. of rooms '000)



Source – Company research.

Strategic Proximity to India

Colombo's proximity to India, a market that accounted for over 30 million outbound travellers in CY2024, presents substantial potential for inbound tourism. Indian tourists contributed to ~20% of total tourist arrivals to Sri Lanka in CY2024.

Flight Times Between Key Indian Cities and Asian Cities with IRs

From/To	Colombo	Singapore	Manila
Mumbai	2 hr 30 min	5 hr 20 min	9 hr 10 min
New Delhi	3 hr 30 min	5 hr 45 min	8 hr 15 min

Source: Company research.

Strengthening Colombo's Position Through Synergistic Developments

Several strategic infrastructure projects, such as Port City Colombo (PCC) and the entry of international and regional players to Colombo is expected to add to the city's high-end hospitality credentials.

City of Dreams Sri Lanka: A Transformational Offering

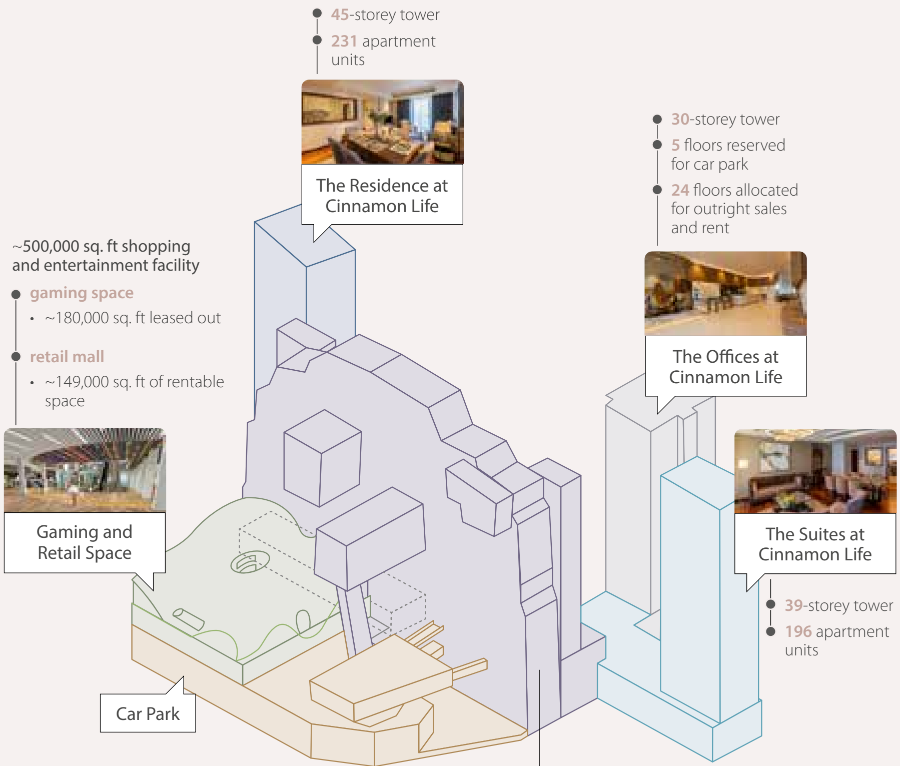
As detailed in the ensuing sections, the product offerings at CODSL are curated to deliver a lifestyle-led environment, that has the ability to establish itself as a destination within the city, bridging the gap between Colombo's hospitality infrastructure and the experience expectations of modern travellers.

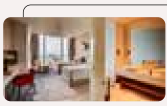
Of the various offerings, the property introduces two key differentiators largely absent in the local market: extensive MICE facilities capable of hosting up to ~5,000 guests across multi-functional spaces and an international standard casino.

Features of City of Dreams Sri Lanka

The remaining elements of the CODSL integrated resort project is progressing well, with the fit-out and finishing works relating to the 113-key Nuwa hotel and the casino near complete for its planned opening in August 2025.

Efforts remain focused on securing a curated mix of tenants for the retail mall, with an emphasis on delivering unique and experiential offerings in food and beverage, lifestyle, and entertainment, designed to complement and enhance the overall guest experience alongside the hotel and gaming operations.





Cinnamon Life Hotel

Room types

- Premier Life, Cityscape View – 399 rooms
- Premier Life, Oceanfront View – 251 rooms
- Oceanscape Suite – 26 suites
- Skyline Suite – 11 suites

Restaurants, bars & lounges

- 6 Restaurants
- 5 Bars
- 1 Lounges

Meetings and events

- A total of 11 venues with 160,000 sq. ft of meeting and event spaces.
- A dedicated team of event management professionals.
- State-of-the-art spaces equipped with the latest technology.

Nuwa - ultra high-end luxury-standard hotel

- 113 guest rooms
- Managed by Melco
- Situated on the top five floors of the hotel
- Dedicated access to casino
- 1 pool

Phased Commencement of Operations

October 2024

- Opening of the 687-room Cinnamon Life Hotel
- Dining spaces – Quizine, Bistro and Staten
- Bars - Cloud Wine and Gatz
- Contemporary dessert and coffee lounge - Sweet Lab
- Banqueting and event spaces – Lumina Ballroom, Cumulus Ballroom, Celestine Ballroom, The Podium, The Studio, The Forum - Exhibition Centre, The Forum and Boardrooms

November 2024

- Dining space – Indiya
- Bar and infinity pool - Dreams & Beats

December 2024

- Dining space – Yoroko
- Pool Bar 09

January 2025

- Dining space – Sapphire Dragon
- Outdoor space/ Sky Lounge - Flux
- Kurundu Wellness Centre

Outline of dining and leisure spaces at the Cinnamon Life hotel

- All-Day Dining
  - Quizine: International buffet with live cooking stations and global cuisine.
- Wine & Lounge Bars
  - Cloud Wine: Sri Lanka's first wine bar with curated wines and gourmet canapés.
  - Gatz: A cocktail and champagne bar located in a floating cantilever offering a sophisticated bar experience.
  - Dreams & Beats: An exclusive outdoor bar and infinity pool area with cocktails and gourmet light bites.
- Specialty Restaurants
  - Staten Bar & Grill: Inspired by American steakhouses, this restaurant offers a world-class dining experience with a focus on grilled meats and an open parrilla grill.
  - Indiya: Authentic regional Indian cuisine with handcrafted spices and flavours.
  - Sapphire Dragon: A Cantonese restaurant offering a dining experience that captivates the senses.
  - Bistro des Marées: A French bistro featuring an exclusive seafood bar, combining classic French cuisine with contemporary luxury.
  - Yoroko: A Robatayaki dining experience with traditional Japanese aesthetics with modern sophistication.

LEISURE

Anticipated Externalities from an Integrated Resort

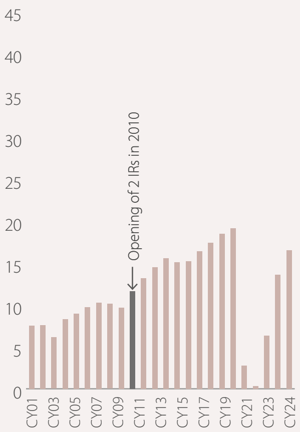
The collaboration with Melco, including access to the technical, marketing, branding and loyalty programmes, expertise and governance structures, will be a boost for not only the IR of the Group but a strong show of confidence in the tourism potential of the country.

The operations of an international standard integrated resort is expected to be a significant catalyst for the economy. Beyond tourism receipts, the project will generate direct and indirect employment, enhance Sri Lanka's culinary and service standards, and contribute to small and medium enterprises (SME) development.

- Job creation across multiple verticals from construction to hospitality and entertainment
- SME growth via demand for F&B, transport, logistics, and event services
- Multiplier effects through supply chain activation and clustering of allied services
- Enhanced city branding and positioning as a tourism, lifestyle, and MICE destination
- Increased visitation to surrounding cultural, shopping, and heritage sites
- Robust tax revenues from regulated gaming and hospitality services

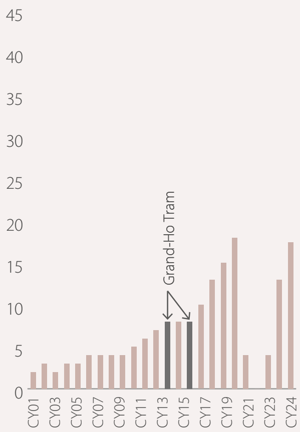
Opening of IRs have been a key driver of tourism

Singapore
(Millions)



Source: Department of Statistics Singapore.

Vietnam
(Millions)



Source: World Bank.

** The graphs illustrated show some of the key IRs in these jurisdictions and is not an exhaustive list.*

Employment opportunities created

- Direct employment – **~3,200**
- Indirect employment – **~1,100**
- Community engagement – **~5,600**

Bistro des Marées at Cinnamon Life.

Key Developments for the Year

Cinnamon Life hotel

As previously disclosed in the Interim financial statements, the 687-key Cinnamon Life hotel, restaurants and banquet facilities commenced operations on 15 October 2024. This marked a significant culmination of events for the Group's iconic integrated resort, which has been under construction over the last decade. The hotel is currently fully operational, with all restaurants and bars, conferencing spaces and outdoor locations functioning. The hotel has been positively received by the market, both locally and internationally, with encouraging demand and bookings for the various event spaces at the property. Over 1,400 new employees have been onboarded and trained with the requisite skills to operate the Cinnamon Life hotel, in line with international luxury standards.

As expected, the occupancy for the hotel will have a slow ramp-up till demand for conferences and foreign events gather momentum, particularly given the lag effect for such bookings to materialise post the opening of a new hotel. The opening of the casino in August 2025 is expected to be a significant catalyst in driving occupancies as well.

The Group recognised the depreciation charge and interest expense attributable to the Cinnamon Life hotel component, in the income statement, upon the commencement of the operations of the hotel. While this project will be a significant driver of Group performance in the years to come, the commencement of operations resulted in an impact on profitability, in the short term, due to the aforementioned depreciation and interest charge, as well as the costs associated with the operations of the hotel. The Group is confident that these impacts will be more than offset by the increase in revenue and the resultant profitability once the Cinnamon Life hotel and the operations of the rest of the components of CODSL ramp-up over the next few quarters. The depreciation charge on the totality of the integrated resort will be recorded in 2025/26 once the Nuwa hotel is also operational. The components of the interest expense attributable to the construction of the Nuwa hotel and gaming space will similarly be recorded in the income statement once operations commence, although these are not material in the context of the charge for the rest of the property.

The business carried out various activities including participating in international trade fairs, conducting interviews and providing briefings to travel publications, and direct marketing initiatives for selected market segments to increase awareness on the hotel and its offerings. The business took part in several trade fairs and carried out road shows, especially in India, the Gulf Cooperation Council (GCC) countries where the CODSL brand was showcased for the first time. Many initiatives have also been undertaken to promote the Cinnamon Life hotel as a location for destination weddings.

The 687-room capacity of Cinnamon Life facilitates the ability to secure large MICE events given the scale of the property, reinforcing Colombo's ability to position as a leading MICE destination in the region. During the year, the business actively pursued initiatives to enhance its presence in MICE markets, capitalising on the positive momentum observed for the property. The business also partnered with SriLankan Airlines to promote the property as a MICE destination during the year.

Gaming

As detailed in the JKH Annual Report 2023/24, all key aspects of the commercial agreement between Waterfront Properties (Private) Limited (WPL), the project company of the CODSL, and Melco have been finalised. Following the execution of the 20-year lease agreement for the designated gaming space at the CODSL, Melco has mobilised their teams to commence the fit-out work and which is now nearing completion. Melco's investment towards the fit-out and equipping of the gaming space is ~USD 125 million. Work is also underway between Melco and the CH&R teams for the launch of the gaming operations which are expected to commence in August 2025.

Over the next few months, gaming equipment will be installed, ensuring operational readiness. The recruitment and training of staff for the Nuwa hotel and casino is progressing well with many key positions already onboarded.

Retail

Following the finalisation of Melco as the casino operator and the re-branding of the integrated resort, discussions with potential tenants of the retail mall have progressed more definitively, to ensure the presence of unique attractions and offerings in the mall, while optimising the commercial aspects for WPL. Advanced discussions are underway regarding experiential offerings centred around restaurants and bars, lifestyle, and entertainment to complement the hotel and gaming operations. The progress on the lease-ups of the retail mall is progressing well with some tenants working on the fit-out plans.

Residential and Office

The sales of the Suites at Cinnamon Life and the Residence at Cinnamon Life stood at 74% of the total saleable area. As at 31 March 2025, ~95% of the residential units sold were handed over.

During the year, one floor was sold outright and three floors were leased out at the Offices at Cinnamon Life. The recognition of recurring revenue from the ten units that are leased out continued during the year under review. The business continued to engage with prospective tenants to occupy the remaining office space.

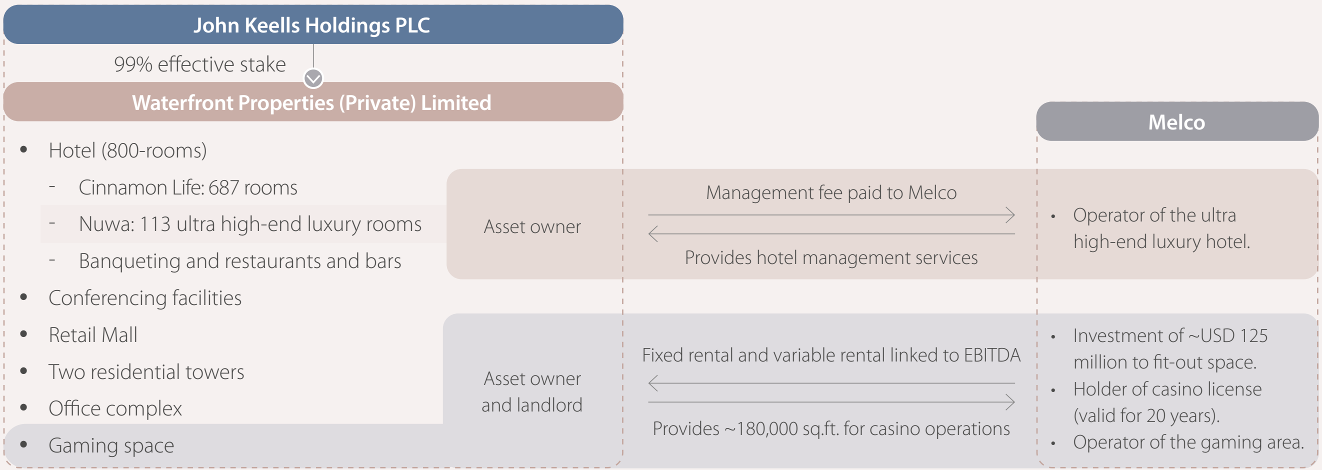
Refer the Property industry group for a discussion on the residential and office components. – page 198

Structure of the Partnership with Melco

As disclosed in the previous year's Annual Report, the structure of the gaming operations at the IR owned by WPL will be such that Melco will invest in the fit-out of the casino and lease ~180,000 square feet from WPL, in its capacity as the landlord, to operate the casino within CODSL. A wholly-owned locally incorporated subsidiary of Melco has been awarded a license from the Government of Sri Lanka for a period of 20 years, under the stipulated criteria, to operate a casino at the IR.

The 113-key exclusive hotel, situated on the top five floors of the IR, will be managed by Melco under its ultra high-end luxury-standard hotel brand Nuwa, which has presence in Macau and the Philippines.

Partnership Structure of City of Dreams Sri Lanka:



LEISURE

Financial Performance Review

Income Statement Indicators

Rs.million	2024/25	2023/24	%
Revenue*			
CODSL	2,204	-	-
Colombo Hotels	10,114	10,605	(5)
Sri Lankan Resorts	11,165	10,186	10
Maldivian Resorts	18,126	20,385	(11)
Destination Management	8,371	6,894	21
Hotel Management	119	96	24
Total	50,099	48,166	4
Total excl. CODSL	47,895	48,166	(1)

Including share of revenue of equity accounted investees.

- Revenue includes the first six months of operations of the Cinnamon Life hotel at the CODSL, which commenced operations in October 2024. The commencement of operations at Kandy Myst by Cinnamon from February 2025 is also captured in the performance; since it only captures ~2 months of operations and is still in the ramp-up stage, its impact is not material.
- As discussed in the External Environment and Operational Review, the Sri Lankan leisure businesses recorded an improvement in performance on the back of a strong growth in arrivals to the country, particularly in the winter season. The improvement in ARRs due to better yield management contributed to an increase in revenue in the Sri Lankan Leisure businesses. The RevPAR for both Colombo Hotels and Sri Lankan Resorts performed well against competition.
  - Whilst the Colombo Hotels segment saw an uptick in occupancies and ARRs, the F&B revenue was impacted by an increase in new entrants to the market and a strategic closure of select F&B outlets in 2024/25.
- Revenue of the Maldivian Resorts segment in US Dollar denominated terms was impacted by a marginal decrease in both ARRs and occupancies for 2024/25. This was further impacted by the appreciation of the Sri Lankan Rupee by ~6%.
- The revenue of the Destination Management sector increased due to a growth in revenue per pax as the sector strategically focused on attracting higher-value clientele.
- The Hotel Management segment recorded an increase in revenue from higher management and marketing fees, given the improved performance across the hotels, particularly in the Sri Lankan Resorts.

Rs.million	2024/25	2023/24	%
EBITDA*			
CODSL	(4,743)	(1,063)	(346)
Colombo Hotels	1,140	1,248	(9)
Sri Lankan Resorts	2,280	1,502	52
Maldivian Resorts	5,225	6,211	(16)
Destination Management	273	154	77
Hotel Management	427	1,105	(61)
Total	4,602	9,157	(50)
Total excl. CODSL	9,345	10,220	(9)
PBT**			
CODSL	(8,207)	2,231	(468)
Colombo Hotels	234	311	(25)
Sri Lankan Resorts	611	(299)	304
Maldivian Resorts	(240)	299	(180)
Destination Management	344	63	446
Hotel Management	203	805	(75)
Total	(7,055)	3,410	(307)
Total excl. CODSL	1,152	1,179	(2)

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

*** Share of results of equity accounted investees are shown net of all taxes.*

- The EBITDA of CODSL in 2024/25, consist of substantial costs pertaining to the pre-opening and opening of the Cinnamon Life hotel. Whilst 2023/24 also included marketing and promotional costs and staff salaries incurred in preparation for its impending launch, the impact in 2024/25 is significantly higher.
  - The Group recognised the depreciation charge and interest expense attributable to the Cinnamon Life hotel component, in the income statement, amounting to Rs.2.23 billion and Rs.2.06 billion, respectively, upon the commencement of the operations of the hotel.
  - WPL recorded a non-cash exchange gain of Rs.856 million on its USD 207 million loan [2023/24: Rs.3.00 billion].
- Colombo Hotels – EBITDA was mainly impacted by the decline in revenue, and the one-off costs associated with the VRS, outweighing the positive impact from a decline in electricity costs following the downward revision of tariffs. Excluding the one-off VRS costs, EBITDA recorded a decline of 2% in comparison to the previous year.
- Sri Lanka Resorts – EBITDA and PBT growth was due to an increase in revenue and a notable increase in margins, supported by the downward revision of electricity tariffs, strategic initiatives aimed at enhancing operational efficiency and a better absorption of fixed costs.

- Maldivian Resort - EBITDA and PBT was mainly impacted by the decline in revenue, which was further impacted by higher taxes and tariffs, particularly from the doubling of the green tax in the fourth quarter of 2024/25. Performance was also impacted by a substantial bad debt provision following the insolvency filing of a leading European tour operator. Excluding the impact from the bad debt provision, EBITDA was a decline of 10% in comparison to the previous year.
- EBITDA growth in the Destination Management sector was driven by increased revenue though margins were impacted in the first three quarters of the year due to the imposition of VAT effective from January 2024, which could not be recovered on contracts already priced and entered into for 2024/25.
- The Hotel Management segment noted a decline in EBITDA and PBT due to the increase in staff and operational costs.

All segments in the Leisure industry group noted a decrease in finance expenses on the back of lower interest rates. A decline in overall debt levels of the Leisure industry group, as detailed below, also contributed to the lower finance expense.

The recurring EBITDA adjustments for 2024/25 and 2023/24 include fair value gains/losses on investment property (IP), as detailed in the Financial and Manufactured Capital Review. Accordingly, the recurring EBITDA of the industry group excluding the gain on IP amounted to Rs.4.53 billion, a decline against the previous year [2023/24: Rs.9.06 billion].

Balance Sheet Indicators

Rs.million	2024/25	2023/24	%
Assets			
CODSL	287,339	250,261	15
Colombo Hotels	42,712	41,865	2
Sri Lankan Resorts	25,089	23,979	5
Maldivian Resorts	49,634	53,242	(7)
Destination Management	4,666	3,214	45
Hotel Management	3,658	3,164	16
Total	413,099	375,725	10

- CODSL – The value of construction related work undertaken during the year towards the completion of the CODSL project contributed to an increase in the asset base.
- Assets at the Maldivian Resorts declined mainly due to leasehold property stemming from a renegotiation and optimisation of the rental plan of the sub-lease of Cinnamon Velifushi Maldives.
- The growth in assets of the Hotel Management segment was due to an increase in investments towards intangible assets aimed at improving the website and the service efficiencies as well as the newly located office spaces.

Rs.million	2024/25	2023/24	%
Debt*			
CODSL	61,530	66,164	(7)
Colombo Hotels	1,731	2,230	(22)
Sri Lankan Resorts	7,234	7,373	(2)
Maldivian Resorts	12,579	13,780	(9)
Destination Management	733	66	1,011
Hotel Management	1,402	1,231	16
Total	85,209	90,826	(6)

Excludes lease liabilities.

- The decline in debt at the CODSL is due to the commencement of capital repayments on the USD 225 million term loan facility, and the translation impact from the appreciation of the Rupee.
- Improvement in cash flow operations resulting in higher repayments and a reduction in overall debt across most hotels.
- The increase in debt at the Destination Management sector is on account of higher working capital requirements.

Lease liabilities as at 31 March 2025 stood at Rs.17.32 billion [2023/24: Rs.19.55 billion], with ~96% stemming from the Maldivian Resorts segment. Total debt including leases stood at Rs.102.52 billion as at 31 March 2025 [2023/24: Rs.110.38 billion].

Investments into City of Dreams Sri Lanka

- The equity infusions into CODSL was Rs.27.21 billion to finance the development costs of the project.
- As at 31 March 2025, the cumulative equity infused stood at Rs.191.90 billion. The cumulative equity investment at the CODSL includes the land transferred by JKH and its subsidiaries at the inception of the project.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	(0.8)		(6.2)		0.13		1.06
2023/24	1.0		7.3		0.13		1.06

- The ROCE of the Leisure industry group was impacted by CODSL.
  - The decline in EBIT stems from the pre-opening and opening costs and the depreciation charge at the Cinnamon Life hotel.
  - Increase in the capital employed base due to ongoing construction works at CODSL.
- Excluding CODSL, the ROCE of the Leisure industry group was 3.8%.

LEISURE

Outlook and Risks

Tourism continues to play a pivotal role in Sri Lanka's macroeconomic recovery and long term growth. As one of the highest foreign exchange earners and employment generators, the industry is poised to benefit from both domestic policy measures and global travel trends. With its strategic location and rich offering of diverse cultural, natural, and wellness experiences, the country is increasingly being viewed as a competitive and experiential tourism destination in the South Asian region. In this context, Sri Lanka is expected to maintain its upward momentum, benefiting from growing regional interest.

After a challenging period spanning several years due to terror attacks, the pandemic, and the domestic macroeconomic crisis, the tourism industry has made a notable recovery. In CY2024, Sri Lanka recorded over two million tourist arrivals, and the SLTDA has set a target of three million visitors for CY2025. The Group is confident that the positive trend in arrivals will continue, as is also seen in the forward bookings for the Group's hotel properties.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Lower than planned growth in tourist arrivals
  - Recession in key source markets
  - Changes in the regulatory environment*
- Supply chain disruptions*
  - Potential increase in input costs stemming from geopolitical tensions and global impacts
- Financial exposure*, in particular exchange rate volatility
- Global competitiveness* and evolving consumer preferences
- Human resources and talent management*
  - Growing skills gap in the hospitality industry
- Environment and health & safety* including climate risks
  - Impact on ecosystems and biodiversity
  - Waste generation and management
  - Health and safety of employees and guests
- Information technology*
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Risks, Opportunities and Controls section of the Annual Report for a detailed discussion.*

Opportunities Horizon

- Rising demand for tourism, especially from the Asian region
- Shifting traveller preferences with particular emphasis on eco-friendly, sustainable and experiential travel, especially 'green holiday destinations'
- Digital nomadism
- Digital transformation in travel planning and booking
- Diversification of tourism offerings
- Increasing opportunities for MICE

Immediate to Short Term

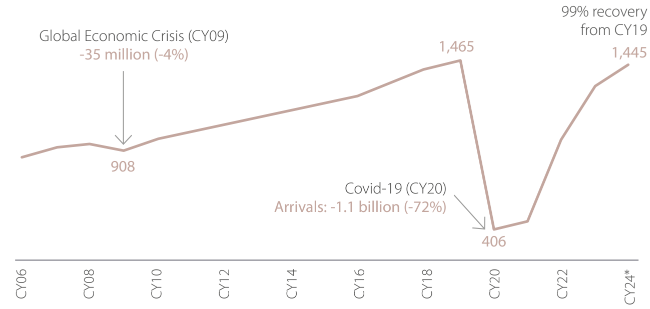
Global Tourism

The UN Tourism World Tourism Barometer estimates that international tourist arrivals reached ~1.4 billion in CY2024, representing 99% of pre-pandemic levels and an 11% increase over CY2023, with 140 million additional trips recorded. Growth is underpinned by the release of residual pent-up demand, improved air connectivity and the rebound of the Asian markets.

Looking ahead, international tourism is projected to grow by a further 3% to 5% in CY2025 as per UN Tourism, supported by the continued recovery in Asia and the Pacific, sustained growth across other regions, favourable global economic conditions, and easing inflationary pressures.

Nevertheless, potential headwinds include elevated transport and accommodation costs, volatile oil prices, geopolitical tensions, extreme weather patterns, and labour shortages. Further, sustainability remains at the forefront of the industry's agenda, with a rising emphasis on responsible travel, eco-conscious practices, and the exploration of emerging and less-travelled destinations.

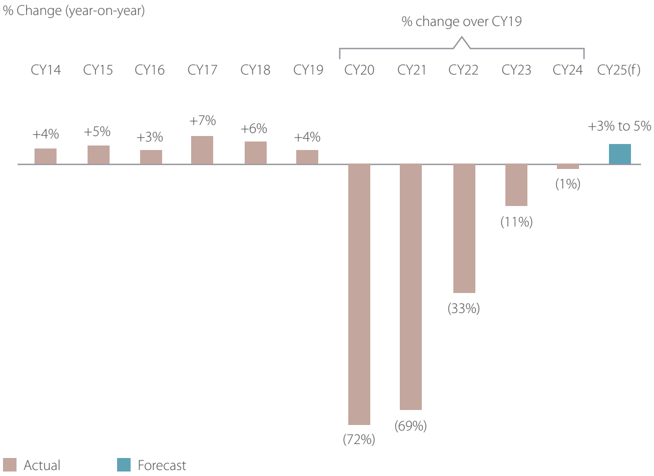
International Tourist Arrivals
(millions)



Source: World Tourism Organisation (UN Tourism). (Data as of January 2025)

** Provisional Data.*

International Tourist Arrivals
% Change (year-on-year)



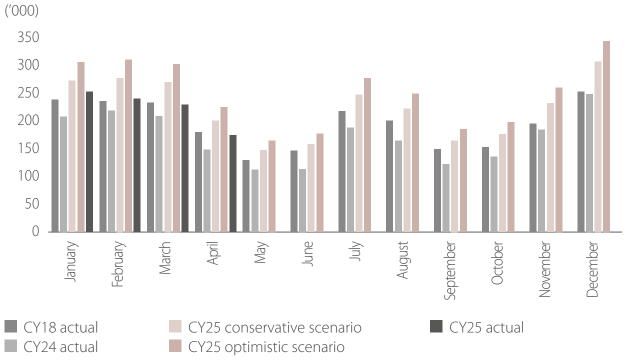
Source: UN Tourism (Data as of January 2025).
(f) Forecast

Sri Lankan Tourism

In line with CY2024, the SLTDA has projected two growth scenarios for tourist arrivals in CY2025, accounting for both peak and off-peak travel trends:

- a conservative scenario reflecting average growth – 2.6 million arrivals for CY2025.
- an optimistic scenario reflecting accelerated growth in arrivals – 3.0 million arrivals for CY2025.

Tourist Arrivals to Sri Lanka



Source: SLTDA.

A key opportunity for Sri Lanka lies in the robust economic expansion in India, which is expected to drive outbound travel, supported by the country's geographic proximity and increasing flight connectivity to Sri Lanka. Additionally, tourist arrivals from Middle Eastern markets continue to show encouraging growth momentum.

Sri Lanka Tourism Promotion Bureau (SLTPB) has introduced 'Sri Lanka, A Story for Every Season', a digital campaign designed to position the country as a year-round travel destination. The initiative spotlights Sri Lanka's wildlife safaris, cultural heritage sites, adventure tourism, scenic landscapes, and spiritual experiences. A strong digital marketing approach is central to the campaign, utilising global influencer collaborations and high-impact storytelling across Instagram, YouTube, and Facebook to engage millions of travellers worldwide.

While this marks a step in strengthening Sri Lanka's tourism brand, experts highlight the need for continued, well coordinated global promotions to maintain and accelerate tourist arrivals. A dedicated international destination marketing effort is imperative to maximising long term benefits.

As part of its continued efforts to strengthen the tourism sector, the SLTDA has designated 49 additional official tourism zones, expanding the scope beyond the 15 existing coastal zones. This initiative aims to promote a broader range of attractions across the country, particularly in non-coastal areas that are increasingly popular among tourists for their natural beauty and unique experiences, enhance regional tourism development, diversify Sri Lanka's tourism offerings, and attract a wider segment of international travellers.

The BIA expansion project, which aims to boost annual passenger handling capacity from 6 million to 15 million, is gradually regaining momentum after facing significant delays. The expansion includes a new terminal building, arrival and departure piers, an elevated roadway, and a five-storey car park. As of early CY2025, work has restarted on several components of the project, with overall completion now anticipated by CY2027. Once finalised, the expansion is expected to significantly enhance Sri Lanka's international air connectivity, supporting the anticipated growth in tourist arrivals.

Transitioning from Investment to Value Realisation

- The Group, under the Cinnamon brand, has made significant capital investments over the period from CY2017 to CY2025, demonstrating a long term commitment to strengthening its hospitality portfolio across Sri Lanka and the Maldives. These included comprehensive refurbishments such as Cinnamon Bentota Beach, the strategic acquisition of Maldivian resorts to expand regional presence, and the launch of CODSL—one of the largest hospitality-led developments in the country.
- In addition to pursuing future expansions through an asset-light strategy that focuses on strategic partnerships and shared benefits and risks, the Group will also focus on rationalising its portfolio with the aim of optimising returns from the existing portfolio.

Demand and supply dynamics:

- Sri Lanka's varied landscapes, cultural richness, and recreational offerings continue to attract both international and domestic travellers. The growing interest in niche tourism segments—such as eco-tourism, adventure travel, and cultural tourism is poised to contribute to longer average stays and more immersive visitor experiences.
- The opening of CODSL, with its integrated luxury hospitality and entertainment offering, including MICE facilities, upscale dining, retail, and casino operations, is expected to expand Colombo's premium room inventory and reinforce the city's positioning as a high-end urban tourism destination.
- The Sri Lankan Leisure businesses will continue its comprehensive rate strategy to ensure optimum returns, taking into consideration the planned increase in tourist arrivals over the ensuing months against the inventory of rooms in Sri Lanka. In addition to this having an impact on occupancy, this is envisaged to translate to better ARRs and resultantly top-line performance of the businesses and aid revenue growth whilst also ensuring optimised yields.
- The Group's beachfront properties have witnessed a recovery driven by increased demand from leisure travellers. Similarly, round-trip properties have also experienced a gradual rebound in room rates, supported by improved macroeconomic conditions and a sustained uplift in travel sentiment. These trends are envisaged to continue going forward.

Costs and margins:

- The stabilisation of inflation is expected to support the Leisure businesses in effectively managing their cost base and improving overall margins. While the Rupee has appreciated during the year, compared to regional peers the destination remains competitively priced. The businesses will continue to enforce stringent expense controls and implement cost optimisation initiatives to drive efficiency.

LEISURE

- Electricity tariffs have declined significantly year-on-year, supported by multiple downward revisions over the past 18 months, including a ~31% reduction in January 2025. An 18% increase in electricity tariffs has been recently proposed, which is currently under consideration. Given that heat, light, and power constitute a significant component of operating costs. The businesses will continue to monitor energy usage closely and, where not already implemented, pursue energy-efficient investments to further reduce utility expenses.
- EBITDA across the Colombo Hotels, Sri Lankan Resorts and Maldivian Resorts segments is expected to improve in line with increased occupancy levels and room rates, enabling better absorption of fixed costs.
- Hotel operations are envisaged to ramp-up steadily as CODSL transitions from the construction phase to full-scale operations, profitability will reflect the full impact of depreciation and interest costs, which are expected to weigh on performance in the near term. The commencement of Cinnamon Life hotel operations resulted in the recognition of depreciation and interest expenses, alongside initial operating costs, impacting short term profitability. However, the Group expects these to be temporary, with revenue growth and improved profitability anticipated as operations scale up. The depreciation charge on the full integrated resort will be recorded in 2025/26 once the Nuwa hotel is also operational, although not material in the context of the current charge.
- The prevailing low interest rate environment is favourable for maintaining debt sustainability. While a portion of the industry group's debt is on fixed terms, providing a cushion against previously elevated rates, the remainder stands to benefit from the current accommodative interest rate regime.

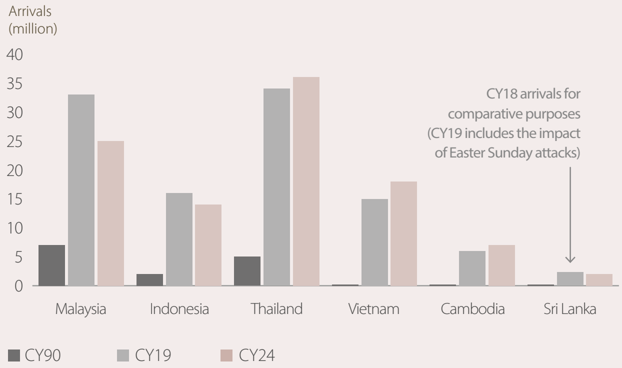
Maldivian Tourism

- In CY2024, the Maldives welcomed 2.1 million tourists, reflecting an increase of 9% compared to CY2023. A shift in travel patterns was noted with demand moving from traditional luxury resorts to guesthouses, as cost-conscious travellers increasingly sought more affordable alternatives and political instability.
- The tourism goods and services tax (TGST), which is set to increase from 16% to 17% with effect from 1 July 2025, could potentially have a marginal impact on visitor spending and price sensitivity, particularly among budget-conscious travellers.
- The upcoming Velana International Airport expansion is expected to be a key catalyst for growth. Once operational, the expanded airport will increase capacity to handle 7 million passengers annually, significantly enhancing connectivity and facilitating higher tourist volumes.
- While short term challenges persist, including global macroeconomic uncertainties, the medium-term outlook for Maldivian tourism remains positive, supported by ongoing infrastructure development, market diversification, and sustained interest from both traditional and emerging source markets.

Medium to Long Term

The Group remains confident that the prospects for tourism, and the Leisure industry group in particular, in the medium to long term remain extremely positive. This optimism is based on the diverse range of offerings and the potential for regional tourism, supported by the availability of a comprehensive portfolio of hotels to accommodate the expected surge in demand. Sri Lanka's potential in the tourism sector remains largely untapped, considering that the country received only 2.3 million tourists prior to the Easter Sunday attacks in CY2019, while regional tourism has experienced significant growth over the past decade.

Tourist Arrivals lag well below Regional Peers



Note: Given the impact of the Covid-19 pandemic in CY2020 and CY2021, the graph compares tourist arrivals in CY1990 against CY2019.

Source: Governmental tourism websites.

Cinnamon Hotels & Resorts

The businesses will continue to operate within the realigned structure put in place in 2020/21, which is a part of the Group's vision of expanding its footprint, in an asset-light model, to enable the businesses to create a holistic value proposition that leverages the round-trip offerings in Sri Lanka and the Maldives, whilst fostering greater synergies and efficiencies across the hotel portfolio resulting in an enhanced customer value proposition.

Colombo Hotels

Colombo continues to evolve into a premier urban destination for both business and leisure travel in South Asia, supported by several transformative infrastructure developments. The commencement of operations at the West Container Terminal of the Port of Colombo, ongoing progress at the East Container Terminal and Port City Colombo developments are expected to significantly enhance the city's connectivity, accessibility, and overall tourism appeal, particularly in attracting business travellers. International brands such as Shangri-la, ITC, and Radisson etc. enhance the city's profile and expand the marketing reach of its MICE venues thereby enabling to attract a broader MICE clientele.

As discussed previously, the presence of the first IR in South Asia which includes gaming facilities will have a trickle-down effect on the rest of the properties in Colombo, similar to trends witnessed in other parts of world, accelerating the tourism opportunity in Colombo.

Looking ahead, the Group will continue to implement market-specific strategies tailored to the preferences of a diverse and evolving traveller base, while enhancing its portfolio of flagship restaurants and lifestyle offerings.

Sri Lankan Resorts

Given the increasing traction Sri Lanka has received as a holiday destination and the unparalleled cultural and natural landscape of the country, the prospects for the Sri Lankan Resorts segment remain positive in the medium-term. The Group will continue its investments to expand the Cinnamon footprint across the island, although primarily in line with the Group's asset-light investment strategy.

The Group will continue to focus on monetising its significant land bank, especially in the Southern and Eastern coasts, thereby strengthening its project pipeline for the segment. This strategic approach ensures the Cinnamon brand remains at the forefront of Sri Lanka's tourism offering, delivering compelling experiences while maintaining capital efficiency.

Maldivian Resorts

The Maldivian Resorts segment is expected to maintain a strong growth trajectory over the medium to long term, supported by infrastructure improvements and the Government's continued emphasis on tourism development. A key enabler will be the Velana International Airport expansion, slated for completion in Q3 CY2025, which will significantly enhance accessibility.

The Group is well-positioned to benefit from this growth, with a refurbished room inventory and a focus on enhancing direct bookings through digital channels. Continued partnerships with global tour operators and the development of curated offerings, spanning wellness, sustainability, and personalised experiences—will remain central to its strategy.

Hotel Management

The sector will continue to enhance operational efficiency, expertise, product delivery, training and skills and also develop a pipeline of Cinnamon events, aimed at developing Colombo as an entertainment hub in South Asia and reinforcing the Cinnamon brand.

Destination Management

The sector will continue to focus on expanding beyond traditional travel intermediary services, with an emphasis on tapping into high-potential, non-conventional channels. Strategic priorities include enhancing process efficiency, scaling operations, and improving overall productivity to better serve evolving traveller preferences. Leveraging digital platforms and data-driven insights will play a central role in delivering a more agile, customer-centric experience.

PROPERTY

Contribution to the John Keells Group

Revenue	3%
EBITDA	3%
PBT	8%
Assets	10%
Carbon Footprint	2%
Employees	2%

Property Development

- Development and sale of properties under four segments; Luxe Spaces, Metropolitan Spaces, Suburban Spaces and Leisure linked Developments.
- The Group's integrated resort, City of Dreams Sri Lanka (CODSL), which comprises of*:
  - The development and sale of two residential apartment towers; the Suites at Cinnamon Life and the Residence at Cinnamon Life.
  - The development and sale/rental of units of the office tower, the Offices at Cinnamon Life.
- TRI-ZEN, a residential apartment development based on smart living in the heart of the city.
- VIMAN, a suburban residential apartment development located in the heart of Ja-Ela.
- Sale of exclusive land plots and development of holiday homes at Victoria Golf Resort in Rajawella, Kandy.
- Previous residential apartment projects: OnThree20, 7th Sense on Gregory's Road, Monarch, and Emperor.

**Note: The hotel, gaming and retail spaces within CODSL is captured under the Leisure industry group review.*

Property Management

- Rental of commercial office space.
- Management of the Group's real estate portfolio.
- Ownership and operation of the Crescat Boulevard mall and management of the K-Zone Moratuwa mall.
- Operation of the 18-hole championship golf course and resort, and development and management of the land bank in Rajawella, Kandy.

		2024/25	2023/24	2022/23
Operational Highlights				
City of Dreams Sri Lanka				
The Residence at Cinnamon Life	No. of units	167	147	151
The Suites at Cinnamon Life	No. of units	127	109	115
TRI-ZEN	No. of SPAs	737	700	655
VIMAN	No. of SPAs	164	100	N/A
Financial and Manufactured Capital				
Revenue [1]	Rs.million	10,227	5,234	4,577
EBITDA	Rs.million	1,441	(822)	(215)
EBIT	Rs.million	1,340	(922)	(309)
PBT	Rs.million	1,184	(857)	(2,135)
PAT	Rs.million	1,123	(569)	(2,350)
Total assets	Rs.million	82,602	84,519	94,321
Total equity	Rs.million	57,544	77,713	88,347
Total debt [2]	Rs.million	926	1,033	1,161
Capital employed [3]	Rs.million	58,470	78,746	89,509
Natural Capital				
Energy consumption	kWh '000	3,338	2,455	1,096
Energy consumption per Rs.million of revenue	kWh/ Rs.million	326.40	468.99	239.52
Carbon footprint	MT	2,981	2,037	1,391
Carbon footprint per Rs.million of revenue	MT/ Rs.million	0.29	0.39	0.30
Water withdrawal	Cubic meters (m^3)	204,631	191,205	145,336
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	20.01	36.53	31.75
Volume of hazardous waste generated	kg	-	-	-
Volume of non hazardous waste generated	kg	96,388	62,642	40,381
Waste generated per Rs.million of revenue	kg/ Rs.million	9.43	11.97	8.82
Human Capital				
Total workforce	No.	464	303	299
Total employees	No.	312	291	288
Total contractor's personnel	No.	152	12	11
EBIT per employee	Rs.million	4.29	(3.17)	(1.07)
Average training per employee	hours	14.20	5.60	2.59
Total attrition	%	25.00	24.40	23.26
Female employees	%	28	27	23
Total number of injuries	No.	8	2	-
Social and Relationship Capital				
Community Services and Infrastructure Projects [4]	Rs.'000	462	473	6,697

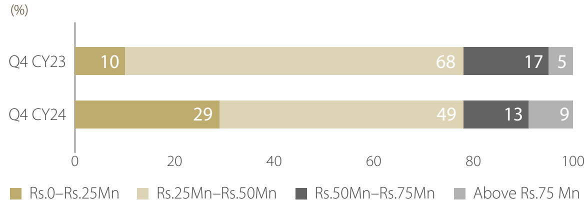
1. Revenue is inclusive of the Group's share of equity accounted investees.
2. Excludes lease liabilities.
3. For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.
4. Only the contribution to John Keells Foundation.

External Environment and Operational Review

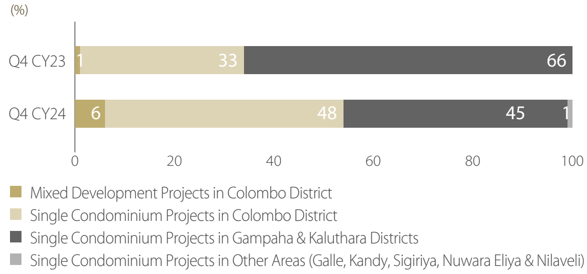
Macroeconomic Update

- The construction sector accounted for 7.0% of Sri Lanka's Gross Domestic Product (GDP) in CY2024 [CY2023: 6.2%].
- The land valuation indicator for Colombo District, compiled by the Central Bank of Sri Lanka (CBSL), was 236.8 in the second half of CY2024, an 8% increase against the comparative period [CY2023 2H: 219.8]. The upward movement in the overall index was driven by increases across all sub-indicators - residential, commercial, and industrial. On a semi-annual basis, the pace of growth in these sub-indicators moderated in the second half of CY2024 when compared to the rate of increase observed in the first half of the year.
- The Sri Lanka purchasing managers' index (PMI) for construction (total activity index) compiled by the CBSL was 55.6 in February 2025 [March 2024: 55.9]. The continued increase in construction work and awarding of small-medium scale projects led to the increase.
- Based on the condominium market survey compiled by the CBSL, the price index for new condominiums in the Colombo district continued to escalate during the year, with a year-on-year (YoY) increase of 16%.
- The asking prices for condominiums in the secondary market have increased marginally on a YoY basis, while asking prices for land have increased by 19%.

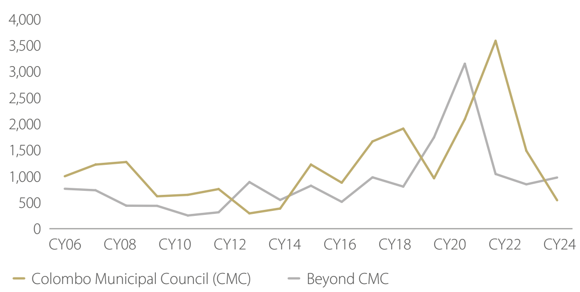
Sales by Price Category
(%)



Sales by Condominium Category
(%)



Completed Condominium Property Units - Western Province
(Units)



Source – CBSL Real Estate Market Analysis Q4 2024.

PROPERTY

Connectivity

- The Port Access Elevated Highway is scheduled to open in CY2025. The highway will connect Sri Lanka's economic centre, Colombo, via the Colombo Port, the Port City and the Bandaranaike International Airport.
- During CY2024, land acquisition and civil works for sections I and III of the Central Expressway was carried out.

Key Policy and Regulatory Highlights

- Effective from 1 March 2025, the stamp duty on any instrument related to the lease or hire of property was increased from 1% to 2%.

The real estate industry in Sri Lanka continued to witness encouraging recovery momentum during the year under review, supported by a downward trend in inflationary pressures and a low interest rate environment, which helped stimulate renewed demand. A stable exchange rate and improvements in key macroeconomic indicators further contributed to enhanced household affordability and investor sentiment, particularly within the mid-tier and suburban market segments. Persistently low yields on fixed income instruments, coupled with increased taxation on such investments, enhanced the relative attractiveness of real estate as an investment class. Furthermore, stabilising construction costs following a period of hyperinflation improved the feasibility of new developments.

In line with trends in the overall real estate industry of Sri Lanka, the Property industry group witnessed a steady recovery in demand and sales of its real estate inventory during the year under review. The recovery was characterised by a strong uptick in the suburban segment, driven by previously untapped demand for developments in this segment, and traction in the metropolitan segment due to improved investor sentiment and the absorption of existing apartment supply. This was evident in the strong traction for VIMAN which underscores its appeal to a new segment of homebuyers, highlighting the sustained growth prospects of Colombo's suburban regions, as well as the encouraging momentum in sales for TRI-ZEN, a metropolitan development project.

The luxury apartment segment experienced a recovery in sales despite elevated price levels. Overall transaction volumes within the segment remain subdued, largely due to continued price sensitivity among prospective buyers.

Interest in the commercial real estate market witnessed a positive trend in demand driven by increased activity and interest by business process outsourcing (BPO) companies and an increase in occupancy due to renewed tenant interest. Retail mall operations witnessed an improvement in performance as a result of higher retail activity during the year supported by an increase in customer spend.

The year under review marked a significant culmination for two of the Property industry group's projects – where the construction of CODSL was completed and hotel operations commenced in October 2024, while completion of the residential development project, TRI-ZEN was completed and handover of apartments were carried out.

City of Dreams Sri Lanka

Highlighting a major milestone for the Group, the 687-key Cinnamon Life hotel, restaurants and banquet facilities commenced operations on 15 October 2024. All the food and beverage offerings, including the unique outdoor locations and wellness centre, were progressively launched over third quarter of 2024/25 with all outlets and spaces at the hotel now fully operational.

Fit-out works relating to the remainder of the project, comprising of the 113-key Nuwa hotel and gaming space are progressing well and are expected to be operational along with the retail mall in August 2025.

Refer the Leisure industry group for a discussion on the hotel, retail and entertainment components - page 181

Residential and Office towers

After a prolonged period of significant challenges and volatilities, the residential apartment sales momentum at the Suites at Cinnamon Life and the Residence at Cinnamon Life witnessed a resurgence in interest with the stability in the overall macroeconomic environment, and the opening of the Cinnamon Life hotel. The residential sales momentum is expected to continue, if not accelerate, this year, given the completion of the integrated resort and the impending opening of the gaming space. Further, the cost of constructing similar apartments today would be significantly higher, where existing units will be an attractive and valuable proposition with no new inventory in the luxury segment in the pipeline.

	The Suites at Cinnamon Life	The Residence at Cinnamon Life	The Offices at Cinnamon Life
Structure	• 39-storey tower • Total of 196 apartment units	• 45-storey tower • Total of 231 apartments units	• 30-storey tower • 24 floors allocated for outright sales and rent • Features five floors reserved for car parking
Number of units sold/ occupied as at 31 March 2025	127 units sold (68% of total sellable area)	167 units sold (79% of total sellable area)	• Five floors sold outright • 13 floors rented (68% of floors sold/occupied in total)

The sales at the Suites at Cinnamon Life and the Residence at Cinnamon Life collectively stood at 74% of the total sellable area. As at 31 March 2025, ~95% of the residential units sold were handed over.

During the year, one floor was sold outright and three floors were leased out at the Offices at Cinnamon Life. The recognition of recurring revenue from the ten units that are leased out continued during the year under review. The business continued to engage with prospective tenants to occupy the remaining office space.

TRI-ZEN

TRI-ZEN, a residential development project which is located at the heart of the city, capitalises on the increasing demand for attractively priced, smart, and efficient living solutions. Positioned within the Metropolitan spaces segment, the project leverages on innovative designs, lucrative Rupee price points, space efficiency and the need for modern solutions for urban living. In April 2024, the handover of units commenced, signifying the completion of one of Colombo's largest residential development projects, centrally located in the city. Being the largest handover in Sri Lanka, ~85% of units sold have been handed over and continue to be underway.

Given the completion of the project and an increase in consumer activity coupled with a stable macroeconomic environment, TRI-ZEN continued to witness an encouraging momentum in sales during the financial year and outperformed competition in the Metropolitan spaces segment despite a slowdown due to secondary market sales of TRI-ZEN units, which is a typical market dynamic post completion of a development project. The cumulative sales and purchase agreements (SPAs) signed, increased by 37 units to 737 units during 2024/25.

TRI-ZEN Cumulative Sales and Purchase Agreements (SPAs) 2024/25:

737 SPAs [2023/24: 700 SPAs]

VIMAN

VIMAN, a suburban residential development project, was launched given the demand for suburban living spaces with the intention of effectively monetising the Group's existing land banks. Spread across six acres, offering a harmonious blend of modern comforts with 418 apartments, VIMAN is designed to provide a secure, family-friendly environment with convenient access to the city of Colombo through the Colombo Port Access highway, while retaining the charm of a small-town setting.

The sales interest for the VIMAN residential development project continues to be encouraging since its launch in September 2023. Given the significant traction for the project, the second phase, comprising of 76 units, was launched in March 2024 and the third phase was launched in March 2025. Whilst the suburban residential segment remains price sensitive, the business witnessed encouraging demand from new customers and non-traditional buyer segments. The cumulative SPAs signed for all phases launched increased to 164, with 102 units remaining to be sold. Revenue recognition commenced from the fourth quarter of 2024/25, with ~10% of total revenue from apartment sales being recognised in 2024/25. Revenue recognition will follow a gradual ramp-up, occurring proportionally with the progress of construction.

Construction of the project commenced in September 2024 and is progressing well for the first and second phases of the project. Groundbreaking has taken place for both phases. Construction of four of the ten blocks are currently underway with construction of the super structure in progress for two of the blocks.

Construction of four of the ten blocks are currently underway.

Insights

Features	Details
Location	Ja-Ela, a suburban area in close proximity to Colombo
Land extent	6 acres
Units	418 units – with equal distribution between 2 and 3 bedroom units
Structure	Total of 10 blocks (G+4 floors) and each block will comprise between 36 to 60 units
Launch	In phases – Phase 1:114 units (90% sold), launched in September 2023 Phase 2:76 units (80% sold), launched in March 2024 Phase 3:76 units, launched in March 2025 Phase 4:152 units
Cumulative SPAs (as at 31 March 2025)	Phase 1:104 SPAs of 114 units Phase 2:60 SPAs of 76 units
Planned completion	Q3 2026/27 (all phases)
Collection	Will be in a phased-out manner. Upon signing the SPA, an upfront payment of 10%, subsequently 10%, 25%, 30% and 25%.
Revenue recognition	Based on the percentage of completion.
Amenities	Swimming pool, gymnasium, meditation courts, clubhouse, a kids play area, cycling and walking spaces, a multipurpose outdoor sports court and electric vehicle charging.

INDUSTRY GROUP REVIEW

PROPERTY

Rajawella Holdings Limited (RHL)

RHL possess a vast land bank within the Victoria Golf Resort in Digana, which includes scenic land parcels, townhouses and villa developments, including a golf course under the management of Troon International.

	RHL Property Management	RHL Property Development			
		Peacock Valley	Sunrise Ridge	Mara Ridge	Ridgeview (previously Peninsula)
Offerings at RHL	• Operation of a golf course in partnership with Troon International. • Management of the Victoria Golf Resort.	9 land plots (100% sold)	16 land plots with villas (94% sold)	4 land plots (100% sold)	34 land plots (26% sold)
Performance during the year	• Operations noted an improvement with increases in room nights by higher footfall and the addition of new room inventory to the property. • An increase in events and growth in foreign visitation also contributed to a growth in performance. • New supplementary services were added to expand the product offerings.	• Hotel operations for 16 villas at Sunrise Ridge commenced during the year, adding an inventory of 32 rooms. • The sale of land plots witnessed an uptick during the year, given an improvement in consumer activity and a stable macroeconomic environment. Growth in sales was also supported by the commencement of hotel operations at Sunrise Ridge.			

Awards

- RHL was awarded 'Sri Lanka's Best Golf Course for 2024' by World Golf Awards.

Mall Operations

In 2024/25, mall operations were supported by increased consumer activity driven by a stable macroeconomic environment and growth in rental rates. Occupancy at Crescat Boulevard stood at 76% at the end of 2024/25 [end of 2023/24: 85%]. This was a decrease in comparison to the previous year due to a reduction in the area rented by an anchor tenant, despite an increase in the number of rental spaces let. The K-Zone Moratuwa mall remained at full occupancy during the year under review.

The Group is actively exploring opportunities to reposition its retail assets into indoor food and beverages (F&B) and lifestyle destinations, aimed at enhancing asset value through improved tenant mix and sustained footfall.

Land Banking Strategy

The contiguous 9.38 acre property owned by Vauxhall Land Developments Limited (VLDL), a fully owned subsidiary of the Group is one of the largest privately held properties in central Colombo and is within a proposed zoning area identified under the Beira Lake Development Plan of the Urban Development Authority (UDA). The strategic location in the heart of Colombo city allows for a large-scale development with views over the Beira Lake. This property is a part of

Sunrise Ridge villas.

the Group's land banking strategy, where strategic land parcels were identified in order to capitalise on development opportunities arising with the urbanisation and densification of Colombo. As outlined in previous Annual Reports, a metropolitan development project has been earmarked for this property to ensure a steady cycle of revenue recognition through the planned monetisation of the Group's land bank.

The Group also continues to explore investment opportunities in the emerging suburban areas of Colombo to include in the industry group's Suburban Spaces segment, given the growing demand and potential in the suburban market on account of the high prices associated with residential apartments in Colombo. The 12 acre land bank in Thudella in the Group's existing portfolio of freehold land provides an opportunity to venture further into this segment.

Financial Performance Review

Income Statement Indicators

Rs.million	2024/25	2023/24	%
Revenue*			
Property Development	9,441	4,810	96
Property Management	785	424	85
Total	10,226	5,234	95

Including share of revenue of equity accounted investees.

- Property Development
  - The significant increase in revenue in the Property Development sector is on account of revenue recognition at the following:
    - Cinnamon Life – sale of 38 apartments, and the sale of one floor at The Offices at Cinnamon Life and rental income from the leasing of 13 floors.
    - RHL – sale of real estate in Digana, and an increase in hotel operations at Victoria Golf Resort.
    - VIMAN, where ~10% of revenue from apartment sales was recognised in 2024/25. Revenue recognition for the project will occur proportionally with the progress of construction.
  - Revenue recognition at the TRI-ZEN residential development project is based on the percentage of construction completion and units sold. Despite 100% revenue recognition for the 37 units signed in 2024/25, overall revenue was lower than 2023/24. This was mainly because the incremental revenue recognition from SPAs signed in prior years (due to construction progress) was significantly higher in 2023/24 (~20% vs. ~5% of work done in 2024/25). Higher sales volume in 2023/24, also contributed to this decline.
- Property Management
  - Performance of the mall operations improved due to onboarding of new tenants and an increase in rental rates. In addition, the Property Management companies recorded higher management fees.

Rs.million	2024/25	2023/24	%
EBITDA*			
Property Development	1,322	(629)	310
Property Management	119	(193)	162
Total	1,441	(822)	275
PBT**			
Property Development	1,107	(612)	281
Property Management	77	(245)	131
Total	1,184	(857)	238

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

***Share of results of equity accounted investees are shown net of all taxes.*

- In 2023/24, the Property industry group EBITDA included an asset write-off, under other operating expenses, amounting to Rs.639 million on account of the closure of the K-Zone mall in Ja-Ela, under the Property Management sector, in connection with the VIMAN development. Excluding the write-off, the Property industry group EBITDA for 2023/24 was negative Rs.183 million.
- The strong growth in EBITDA and PBT in the Property Development sector is on account of the above discussed revenue increases.
- The contribution by TRI-ZEN, which records the Group's share of profit after tax as it is an equity accounted investee, was negatively impacted due to lower revenue recognition. It should be noted that in 2023/24, profitability was impacted by approved cost escalations in the project, which was allocated to the profit recognition in the fourth quarter of the year.
- Discussions on EBITDA for the Property industry group are inclusive of fair value gains/losses on investment property (IP). The Group is of the view that fair value gains/losses on IP are integral to the industry group's core operations, given the land banking strategy and the intention of monetising such land through development and sales.

The fair value gains/losses on IP for the industry group amounted to a gain of Rs.795 million in 2024/25 in comparison to the gain of Rs.233 million recorded in 2023/24.

Balance Sheet Indicators

Rs.million	2024/25	2023/24	%
Assets			
Property Development	72,632	74,945	(3)
Property Management	9,970	9,575	4
Total	82,602	84,520	(2)
Debt*			
Property Development	496	793	(37)
Property Management	430	240	79
Total	926	1,033	(10)

**No lease liabilities.*

- The decline in assets in the Property Development sector is on account of a reduction in apartment inventory due to sales.
- The debt of the Property Development sector declined due to a reduction in bank overdrafts at RHL whilst the debt in the Property Management sector increased as a result of higher bank overdrafts for mall operations at Crescat.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	2.0		13.1		0.12		1.22
2023/24	(1.1)		(17.6)		0.06		1.06

- The increase in ROCE of the Property industry group is mainly attributable to a growth in EBIT through sales of apartment, land plots and rental income.

PROPERTY

Outlook and Risks

The Property industry group witnessed a positive trajectory in 2024/25, supported by the improving macroeconomic environment, moderating inflation, the stabilisation of the Rupee and low interest rates. Looking beyond, the Group is of the view that the underlying fundamentals of the Property industry group remain strong and continue to be promising.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Reduction in customer purchasing power
  - Changes in the regulatory environment*
- Supply chain disruptions*
  - Potential increase in construction costs stemming from geopolitical tensions, global impacts and domestic developments
- Financial exposure*, in particular exchange and interest rate volatility
- Human resources and talent management*
  - Shortages in skilled and technical workers
- Environment and health & safety* including climate risks
- Information technology*
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion.*

Opportunities Horizon

- Potential opportunities stemming from CODSL in Colombo

  Refer Leisure industry group outlook
- Limited new supply entering the market in the short term, which supports potential upside for new launches in the medium to long term
- Emerging demand for properties in suburban areas
- Increasing urbanisation and connectivity
- Increasing demand for mid-tier housing units within Colombo
- Increasing demand for commercial space
- Higher traction towards apartments versus landed housing in line with regional peers
- Increase in demand for short term rentals and hospitality-linked real estate in line with the recovery in tourism
- Favourable mortgage terms with declining lending rates

Immediate to Short Term

- Buyer sentiment and investor interest in real estate are expected to remain strong in the near term, supported by macroeconomic stability, the prevailing low-interest rate regime, and improving mortgage affordability.
- The condominium industry currently faces a limited pipeline of new supply, as no major developments have been launched following the pandemic and the domestic macroeconomic crisis. The market primarily consists of existing units and resale apartments.
- Stabilisation of construction costs has improved project feasibility, though the risk of supply chain disruptions and global commodity price volatility remains. Hence, the relatively higher replacement costs for similar properties and a lack of inventory in the market to meet the increasing demand for primary homes is expected to drive sales.
- Steady sales at TRI-ZEN for the remaining inventory of 154 units is expected to continue, given its positioning as an affordable residential option in the heart of the city, which is fully completed and ready to move in.
- Similarly, the sales momentum of the residential apartments at Cinnamon Life has improved with the commencement of operations of the Cinnamon Life hotel and the impending opening of the casino at CODSL. The gradual pickup in sales momentum is expected to be further supported by the limited new supply in the luxury segment pipeline.
- Demand for suburban projects is expected to continue, particularly with developments such as VIMAN. The Group will continue to explore investment opportunities in the emerging suburban areas of Colombo to expand into this segment, given the growing demand and potential of the suburban market on account of the high prices associated with residential apartments in Colombo.
- The Group is of the view that the existing land bank is adequate to sustain a steady pipeline of projects in the core of the city in the medium to long term, especially given the 9.38-acre property held under VLDL.
- The Group has already commenced the gradual monetisation of the land bank in Digana, through various real estate products under RHL, which include scenic land parcels, townhouses and villa developments, as discussed under the Operational Review.
- Increasing tourist arrivals continue to fuel demand for short term apartment rentals and hospitality-linked offerings, such as at RHL. The Group will continue to engage with mall tenants and assess performance to optimise footfall and returns of the Group's mall operations at Crescat Boulevard and K-Zone Moratuwa.

Medium to Long Term

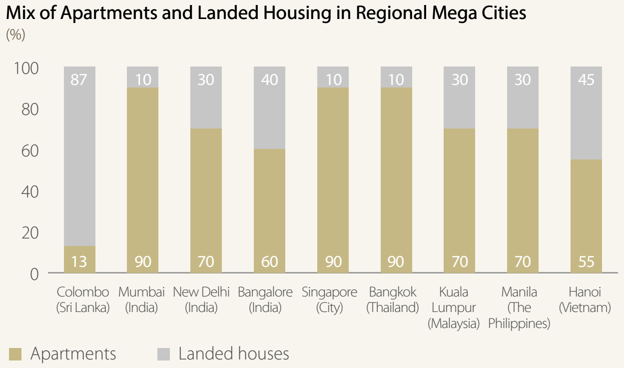
Considering evolving business models, the Property industry group will assess the business landscape to understand possible lasting shifts in real estate demand. Aspects such as increasing demand for commercial and residential spaces, an emerging middle-class demographic, a pipeline of public infrastructure projects, increasing urbanisation and connectivity are envisaged to drive long term growth in the property and real estate sectors. Additionally, CODSL is expected to be a catalyst for growth in Colombo's property market.

Residential Real Estate

- Prospects for the housing market in Colombo and the suburbs continue to be promising on the back of drivers such as the expanding middle-class demographic, increased commercial activity within Colombo and potential for increased GDP per capita and changing lifestyle aspirations. The Group will leverage on its land bank in Colombo and the suburbs. Investments and infrastructure spending channelled towards enhancing connectivity to the commercial centres of the country, will accelerate demand in suburban regions.
- With individuals increasingly moving towards urban areas, there is a robust and emerging market for mid-tier, multi-family housing solutions within and in close proximity to such commercial hubs.
- The market for vertical and middle-income housing, in particular, is expected to experience significant growth, in line with the trajectory of its regional peers, given increasing land prices in Colombo and the high costs associated with the construction of single-family houses.
- The share of apartment dwellings in Colombo remains relatively low compared to regional peers, presenting a long term opportunity for vertical housing.

~65-70% of housing in regional mega cities, both luxury and mid-tier, are predominantly apartments. However, apartment living in Colombo is ~13%, despite the scarcity of land in the city, representing an opportunity within the market.

Mix of Apartments and Landed Housing in Regional Mega Cities



Source: Company Analysis

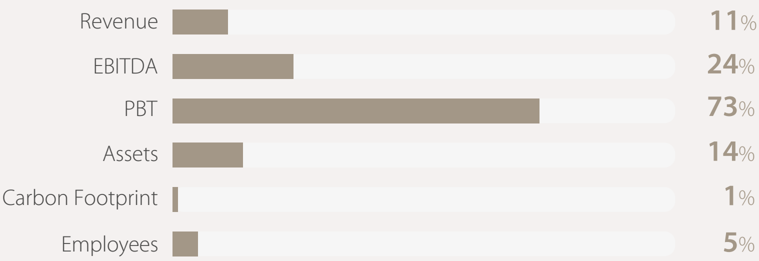
- The Group will leverage on its high brand equity and expertise in the industry to exploit such opportunities through projects such as TRI-ZEN under the Metropolitan segment and VIMAN under the Suburban segment. The latter in particular is expected to see substantial growth with the expansion of transportation infrastructure leading to better connectivity. Demand in the Metropolitan segment is also envisaged to grow in the medium to long term.
- The Group expects to monetise its extensive lank bank of prime real estate in Colombo and the suburbs to generate returns above the Group hurdle rates over the next 8-10 years given the scale and staggered development of the projects envisaged.

Commercial Real Estate

- The opportunity for high-end 'A-Grade' office space is more pronounced as more global companies move to establish offices within the city, especially in the financial services and BPO sectors.
- The transformation of Colombo into a financial and commercial hub through large-scale investment projects such as Port City Colombo coupled with an increase in business activity is envisaged to drive demand in this segment. The absence of adequate infrastructure and management facilities of the current supply, in comparison to modern workspaces, also presents an opportunity.
- Based on market opportunity, the industry group will continue to expand its commercial real estate offering and at the appropriate time at attractive price points.
- The Group shall actively evaluate the mix of offerings at the malls to ensure relevance with evolving customer preferences, to enhance asset value and sustain footfall, including converting select mall spaces into indoor F&B and lifestyle experiences based on demand dynamics.

FINANCIAL SERVICES

Contribution to the John Keells Group



Insurance

- Comprehensive life insurance solutions through Union Assurance PLC (UA).
  - Sri Lanka's pioneering private life insurer with over 329,000 lives insured.
  - Leading bancassurance provider.
- General insurance solutions through Fairfirst Insurance Limited (FIL).

Banking

- End-to-end banking solutions through Nations Trust Bank PLC (NTB).
  - Network of branches for personal and commercial banking.
  - Sole acquirer of the flagship centurion product range of 'American Express' cards in Sri Lanka.

Stockbroking

- Stockbroking services through John Keells Stock Brokers (Private) Limited (JKSB).

		2024/25	2023/24	2022/23
Operational Highlights [1]				
UA				
Market share	%	12	12	12
GWP growth	%	15	13	8
NTB				
Loan growth	%	6	12	(3)
Net interest margins	%	6.9	7.7	7.0
Stage 3 loan ratio (net)	%	1.6	2.3	2.6
Financial and Manufactured Capital				
Revenue [2]	Rs.million	38,141	33,336	27,770
EBITDA	Rs.million	10,909	9,296	6,802
EBIT	Rs.million	10,904	9,293	6,751
PBT	Rs.million	10,878	9,293	6,751
PAT	Rs.million	9,367	7,794	5,673
Total assets	Rs.million	120,799	104,453	86,475
Total equity	Rs.million	29,171	28,263	22,184
Total debt [3]	Rs.million	117	75	141
Capital employed [4]	Rs.million	29,859	28,745	22,743
Natural Capital				
Energy consumption	kWh '000	1,900	1,517	1,392
Energy consumption per Rs.million of revenue	kWh/ Rs.million	49.82	45.50	50.12
Carbon footprint	MT	1,602	1,080	956
Carbon footprint per Rs.million of revenue	MT/ Rs.million	0.04	0.03	0.03
Water withdrawal	Cubic meters (m^3)	18,731	15,994	14,519
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	0.49	0.48	0.52
Volume of hazardous waste generated	kg	5,345	-	-
Volume of non hazardous waste generated	kg	1,213	4,155	4,205
Waste generated per Rs.million of revenue	Kg/ Rs.million	0.17	0.12	0.15
Human Capital				
Total Workforce	No.	4,607	4,190	4,515
Total employees	No.	831	750	818
Total contractor's personnel	No.	3,776	3,440	3,697
EBIT per employee	Rs.million	13.12	12.39	8.25
Average training per employee	hours	44.10	13.59	13.60
Total Attrition	%	31.77	44.00	34.84
Female employees	%	52	50	49
Total number of injuries	No.	-	-	-
Social and Relationship Capital				
Community Services and Infrastructure Projects [5]	Rs.'000	8,722	8,813	5,546

1. Key performance indicators for the calender year.
2. Revenue is inclusive of the Group's share of equity accounted investees.
3. Excludes lease liabilities.
4. For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.
5. Only the contribution to John Keells Foundation.

External Environment and Operational Review

Macroeconomic Update

- Sri Lanka's financial services industry recorded an expansion of 2% in CY2024 [CY2023: 10% decline], accounting for 5% of GDP during the year [CY2023: 5%].

Key Policy and Regulatory Highlights

- In November 2024, the Monetary Board of the Central Bank of Sri Lanka (CBSL) introduced the Overnight Policy Rate (OPR) under a single rate policy mechanism. As a result, the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) as policy interest rates were discontinued. Accordingly, with effect from November 2024, the Overnight Policy Rate (OPR) stood at 8.00%. The previous policy rates were 8.25% (SDFR) and 9.25% (SLFR).
- In May 2025, the CBSL reduced the OPR by a further 25bps to 7.75%, to guide inflation closer to its 5% target.
- The Statutory Reserve Ratio (SRR) applicable on all Rupee deposit liabilities of Licensed Commercial Banks (LCBs) was maintained at 2%.
- The insurance regulatory framework was strengthened during the year through the issuance of several new directions and circulars by the Insurance Regulatory Commission of Sri Lanka (IRCSL), as well as customer due diligence guidelines from the CBSL.

Macroeconomic Update - Insurance

- The insurance industry recorded total assets at Rs.1.21 billion in CY2024, a 12% growth against the previous year [CY2023: Rs.1.14 billion], while gross written premium (GWP) recorded a 12% increase to Rs.313.83 billion [CY2023: Rs.280.96 billion].
- The long term insurance industry recorded a 20% growth in GWP during CY2024, which amounted to Rs.183.79 billion [CY2023: Rs.152.65 billion].

Insurance

UA recorded a strong performance during CY2024 with a 15% increase in gross written premium (GWP), supported by an increase in regular new business premiums and renewal premiums, as illustrated below. Improvement in GWP was driven by growth across agency, bancassurance and alternate distribution channels. However, UA experienced a marginal decline in market share based on GWP, ranking as the 5th largest life insurer, primarily due to a decrease in new business premiums following the discontinuation of an exclusive partnership with a commercial bank in Sri Lanka.

Annualised new business premium (ANBP) increased by 6% to Rs.8.02 billion [CY2023: Rs.7.56 billion] driven by the agency channel.

INDUSTRY GROUP REVIEW

FINANCIAL SERVICES

GWP CY2024	Total (Rs.million)	Growth (%)
Individual policies	20,783	14
First year premium (regular new business premium)	6,233	13
Renewal premium	14,345	14
Single premium	205	242
Corporate policies	864	27
New business premium	331	(4)
Renewal premium	533	59
Total gross written premium	21,647	15

- The agency channel accounted for 75% of GWP. The channel expanded its reach through establishing branches at new locations and enhanced customer satisfaction through relocation and upgrade of selected branches.
- The alternate channel achieved a strong GWP growth of 37% driven by the corporate channel and decreasing term assurance (DTA) business. The DTA business recorded an improvement driven by a high loan demand.
- The bancassurance channel achieved a 14% growth, with significant improvements in key performance indicators such as persistency, case size and productivity. In January 2025, UA established an exclusive bancassurance partnership with Sampath Bank a leading private commercial bank, enhancing its ability to offer innovative insurance solutions to a broader customer base. This strategic partnership contributed to the diversification of distribution channels, transitioning towards a structured omnichannel insurance distribution model.
- UA became the first in the life insurance industry in Sri Lanka to integrate LIMRA persistency metrics into incentive calculations and advisor reward programs, ensuring recognition for promoting high-quality business and enhancing the overall value of new business.

Despite lower yields on fixed income portfolio, net investment income recorded an increase of 9% [CY2023: 45%] to Rs.11.76 billion [CY2023: Rs.10.82 billion], driven by asset allocation to equities, together with the increase in the size of the life fund. The gains from the trading investment portfolio increased by 123% to Rs.2.90 billion due to the positive momentum of the performance at the CSE during the latter part of the year.

Net benefits and claims expenses remained unchanged at Rs.6.72 billion in CY2024 driven by controlled surrenders. The maturity payouts were 6% less compared to CY2023 and in line with contractual obligations.

Net acquisition and underwriting costs increased by 13% to Rs.4.00 billion [CY23: Rs.3.54 billion], in line with the GWP increase, driven by the new incentive scheme designed to optimise volume, quality of business sold and profitability. Other operating, administrative, and acquisition expenses increased by 12% due to external factors, namely higher indirect taxes in CY2024 and expansion of distribution channels. A key focus remained on cost discipline with ongoing monitoring, cost-saving measures, and optimisation initiatives aimed at maintaining the overall cost ratio below CY2023 levels.

The life insurance business recorded a surplus of Rs.3.00 billion [CY2023: Rs.2.80 billion]. The one-off surplus of Rs.3.38 billion, attributable to non-participating and non-unit fund of unit-linked business, which was transferred from the life policyholder fund to the life shareholder fund in 2017/18 based on the directive dated 20 March 2018 issued by IRCSL, continues to remain restricted; the distribution is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL.

The total assets exceeded Rs.100.00 billion [CY2023: Rs.95.67 billion] which was a key milestone for the business, while assets under management (AUM) recorded a strong growth of 15% and stood at Rs.95.57 billion driven by cash generated, together with marked-to-market valuation gains from investments. UA's investment portfolio stood at Rs.95.67 billion [CY2023: Rs.83.42 billion] recording a 15% growth in CY2024. The life fund, which is backed by reputed re-insurers with an international credit rating of 'A+' and above, recorded a 21% growth to Rs.77.51 billion [CY2023: Rs.64.13 billion].

UA also maintained a strong capital and liquidity position with a capital adequacy ratio (CAR) of 264.0%, which is well above the regulatory requirement of 120.0%.

To ensure a smooth transition and provide sufficient time for implementation, the council of the Institute of Chartered Accountants of Sri Lanka (ICASL) has approved a one-year extension for the effective date of SLFRS 17. As a result, SLFRS 17 shall be applicable for the annual reporting period starting on or after 1 January 2026 together with SLFRS 9 Financial Instruments, which was deferred till SLFR 17 effective date for Life Insurance companies. UA's SLFRS 17 steering committee is on track to ensure compliance with the SLFRS 17 standard. A parallel run is planned from Q1 CY2025, with full compliance by 1 January 2026.

SLFRS 17 Project Plan

UA commenced the project in 2021 by commissioning a detailed and transparent process. The project road map and its progress are as follows:

2021 — Phase 01
- Formulation of a project team and completion of the Gap Assessment

2023 — Phase 02
- Selection of SLFRS 17 software vendor and implementation consultant

2024-25 — Phase 03
- Design, system Implementation and parallel run

2026 and Beyond — Phase 04
- Go-live with SLFRS 17 aligned business KPIs and strategies

During the year under review, UA renewed its brand vision and purpose to further its growth and opportunities. This new brand identity serves as a unifying force, guiding the future endeavours and ensuring a cohesive approach across all levels of the organisation. The refreshed brand vision and purpose aims to enable to lead with a vision of empowering human progress by protecting what matters most and having the purpose of protecting lives and enriching the well-being of all Sri Lankans.

UA enhanced internal processes through advanced technology in collaboration with Munich Re, to introduce the industry's first financial underwriting automation system, leveraging technology to automate financial questionnaire evaluations. This innovation improved risk assessment accuracy, streamlined underwriting, and enhanced productivity.

The Clicklife self-servicing app, an end-to-end digital insurance solution, maintained strong performance with the launch of the industry's first digital loyalty rewards programme. In addition to existing features like premium payments, policy document access, claims submission, cashless hospitalisation, and physician channelling, it continued to evolve as a comprehensive insurance and wellness platform. In CY2024, Clicklife introduced the Cancer Care Product, providing direct financial support for cancer-related expenses through a seamless digital experience. As the first app to enable direct insurance product purchases, the app caters to the needs of self-directed consumers.

During the year, UA partnered with a leading hospital to introduce a direct digital integration for medical report submissions, streamlining the underwriting and claims processes. This industry-first initiative enhanced operational efficiency by reducing processing time and improving the overall customer experience. Additionally, UA leveraged artificial intelligence (AI) and data analytics to enhance productivity and optimise processing times. These advancements significantly increased straight-through processing (STP) rates to 65% and achieved a 93% one-day claim settlement rate, reducing manual interventions and expediting policy issuance.

UA's continued digitisation efforts led to significant operational efficiencies. The upgrade of FAME, a web-enabled sales force management system, streamlined activity management and the lead-to-cash customer journey while providing valuable insights into agent performance and business projections. UA further enhanced its bionic distribution with the FAME 4.0 Advisor Self-Service Workspace, digitising six key services. This improvement provided advisors with enhanced dashboards for managing service requests, reducing turnaround time by 80% and improving the overall user experience.

In CY2023, UA successfully modernised its Information Security Management System (ISMS) by transitioning from the ISO 27001:2013 standard to the ISO 27001:2022 standard. This strategic shift has significantly aligned our security practices with current industry standards, thereby strengthening our data protection measures, enhancing organisational resilience, and reinforcing the trust of our stakeholders.

Customer Acquisition

36,800+ New policy holders during the year	**Rs.6,226 million** Revenue from new customer

Customer Retention

61% LIMRA Persistency	**12%** Market share

Customer Engagement

33,250+ Clicklife app registration (CY2024)	**#1** PR ranking

Customer Engagement

93% One day claims settlement	**65%** STP %

Awards

Received the following awards:

- 'Most Innovative Life Insurance Service Provider Sri Lanka 2024' by Gazet International.
- 'Most Digitally Forward Life Insurer 2024' by Global Brands Magazine.
- 'Most Loved Insurer Brand Sri Lanka 2024' by World Economic Magazine.
- 'Best Digital Life Insurer of Sri Lanka 2024' by Global Business and Finance Magazine Awards.

Macroeconomic Update - Banking

- Total banking assets of the industry recorded a growth of 4% during CY2024 in comparison to the growth of 5% recorded in CY2023, mainly due to the increased loan portfolios driven by low interest rates, growth in the deposit base, increased investments in Rupee denominated Government securities and reversals of impairments on International Sovereign Bonds (ISBs). Net interest income noted a growth of 20% during the year.
- Banking sector Stage 3 (credit-impaired) loans decreased to 12.3% in CY2024 in comparison to 12.8% recorded in CY2023.

Banking

NTB recorded a strong growth in performance during CY2024, driven by effective management of funding costs and asset quality. Whilst performance was on the back of a recovery of the macro environment, driving business revival and rising consumer confidence, the Bank's strategic focus on a stringent underwriting practices and risk-based decision-making enabled it to capitalise on market opportunities.

Driven by prudent treasury portfolio management, the Bank's net interest income increased by 3% to Rs.35.92 billion, despite a decline in yields on interest-earning assets caused by a low-interest-rate environment. Despite the declining interest rate environment, the timely repricing of assets and liabilities contained the dip in the net interest margin (NIM) to 6.9% in CY2024 (CY2023: 7.7%). The loan portfolio expanded by 24% in line with gradual pick up of economic activities and the declining interest rate environment. Deposits accounted for 79% of total funding and stood at Rs.384.66 billion in CY2024 (CY2023: Rs.347.77 billion) recording a growth of 11% during the year.

The recovery of macroeconomic conditions, along with increased business activity and consumer spending, drove a 14% growth in net fee and commission income to Rs.8.12 billion in CY2024. Revenue from trade finance and cash management increased, while credit card-related income also grew, reflecting higher credit card spending.

Following a careful evaluation of the options offered by the Government of Sri Lanka under its External Debt Restructuring programme, NTB chose to dispose of its ISB investments given the limited exposure. The disposal had a limited impact on its capital, liquidity, and financial position with an overall net gain to the profitability.

FINANCIAL SERVICES

Proactive portfolio management, strengthened by robust customer engagement and data analytics for monitoring, improved the Bank's stage 3 loan ratio to 1.6% in CY2024 from 2.3% in CY2023, remaining well below the industry average. NTB's stage 3 impairment provision cover ratio rose to 60.6% in CY2024 from 55.3% in CY2023.

The interest expense for the year declined by 21% from Rs.35.61 billion in CY2023 to Rs.28.10 billion in CY2024. The Bank's operating expenses increased by 6% to Rs.14.97 billion in CY2024, mainly due to higher personnel expenses. Other operating expenses declined by 4% to Rs.5.45 billion, reflecting the Bank's strategic cost optimisation efforts through digitisation, automation, and lean practices. The cost-to-income ratio increased to 33.7% in CY2024 from 31.3% in the previous year, influenced by a one-off loss from the ISB disposal. However, excluding this impact, the cost-to-income ratio remained unchanged at 31.3% and at relatively lower levels in comparison to the overall industry.

The total assets grew by 6% to Rs.545.69 billion in CY2024, driven by loan expansion and increased investments in financial assets. Gross loans and advances increased by 6% to Rs.308.10 billion. A disciplined approach to liquidity management was maintained to ensure the Bank remained well-positioned to meet its financial obligations. The consolidated liquidity coverage ratio further strengthened to 320.6% in CY2024, up from 274.1% in CY2023, exceeding the statutory minimum requirement. The asset composition remained stable, with loans and advances accounting for 53% of total assets in CY2024.

NTB's Tier 1 CAR increased to 21.5% in CY2024 from 18.4% in CY2023, while the overall CAR stood at 22.7% as at CY2024 [CY2023: 19.7%] and was well above the regulatory requirement. Throughout the calendar year, the Bank remained highly liquid in both Sri Lankan Rupees and foreign currency with a consolidated liquidity coverage ratio (LCR) of 320.6%.

During CY2024, NTB enabled online onboarding of new customers for most financial services, ongoing improvements to the navigation and functionality of the digital banking platforms and investment in personalisation services and data security.

The Bank enhanced its digital banking services through the Nations Direct mobile app and online banking platform, providing customers with value-added features and upgrades. In CY2024, key improvements to the Nations Direct platform included:

- Facilitating Government payments, such as those to Inland Revenue Department and Customs.
- Enabling real-time access to withholding tax certificates and account confirmation letters.
- Introducing LANKAQR payments via the app.

FriMi, Sri Lanka's first fully digital banking platform was re-launched in CY2024 with innovative features that delivered an intuitive and user-friendly digital banking experience. The revamped app introduced advanced personalisation tools, enhanced privacy settings, a budgeting tool for personal financial management, scheduled payments, centralised account management across multiple Banks, new security enhancements, and trilingual customer support which continues to enhance the digital user experience through the seamless integration of banking, payments, money management and lifestyle services. In CY2024, FriMi also became the first Sri Lankan app to be certified under the Mastercard Digital First Platform.

The Bank's Net Promoter Score (NPS) continued to improve in CY2024, achieving a NPS of 53 [CY2023: 48] whilst customer complaints recorded a 15% decrease against last year, demonstrating the notable progress the Bank has made in enhancing customer satisfaction.

The Group currently holds a 29.48% stake of voting shares in NTB. In terms of the Banking Act No.30 of 1998, as amended, John Keells Group is to reduce its respective shares carrying voting rights to 15% and is required to take relevant action to comply with the said direction. The restriction on voting rights at 10% which is applicable to the John Keells Group continues to be in effect until the shareholding is reduced to 15%.

Macroeconomic Update - Stock Broking

- The All Share Price Index (ASPI) of the Colombo Stock Exchange (CSE) recorded a high gain of 50% in CY2024 [CY2023: 25% gain], whilst the Standard and Poor's Sri Lanka 20 (S&P SL20) index recorded a high gain of 59% in CY2024 [CY2023: 16% gain].
- The average daily turnover stood at Rs.2.23 billion in CY2024, a 31% increase against the previous year [CY2023: Rs.1.70 billion].

Stock Broking

JKSB, the stockbroking arm of the Group, recorded a commendable year driven by the strong performance of the CSE in tandem with Sri Lanka's stable macroeconomic recovery. The resurgence in economic activity contributed to improved investor sentiment, leading to increased market participation.

During the year, the business continued to focus on research driven acquisition and maintenance of high-net-worth investors to create and enhance value to the customer base. JKSB, continued to undertake various initiatives to digitise its onboarding process for a seamless experience and improved efficiency. Additionally, self-training resources were introduced to educate clients on investments and onboarding procedures, empowering them to make informed decisions.

JKSB launched the initiative, SheInvests, to educate and empower women in investment, financial literacy, market insights, and strategic guidance to enhance their participation in the stock market. During the year, a series of awareness sessions were conducted through both in-person and online platforms.

Financial Performance Review

As the key businesses within the industry group comprise of the Banking and Insurance sectors, the ensuing discussion will predominantly focus on PBT and PAT, in order to capture the net earnings of the businesses as reflected in the financial statements of the Group.

Rs.million	2024/25	2023/24	%
PBT*			
Insurance	5,241	5,276	(1)
Banking	5,616	4,056	38
Stock Broking	21	(40)	153
Total	**10,878**	**9,292**	**17**
PAT*			
Insurance	3,739	3,767	(1)
Banking	5,616	4,056	38
Stock Broking	12	(29)	141
Total	**9,367**	**7,794**	**20**

** Share of results of equity accounted investees are shown net of all related taxes.*

Insurance

- During the year under review, UA recorded a growth of 15% in GWP [2023/24: 16%], primarily driven by a 15% increase in renewal premiums and a 14% growth in regular new business premiums.
- Despite the reduced yields on its investment portfolio due to lower interest rates, UA recorded an increase in net investment income of 7% [2023/24: 31%], driven by an increase in the size of the life fund.
- Claims and benefits were Rs.7.00 billion [2023/24: Rs.6.71 billion] although impacted by an increase in surrenders as a result of the impact on disposable income of policyholders and maturities stemming from contractual obligations.
- Underwriting and net acquisition costs increased by 18% to Rs.4.18 billion [2023/24 Rs.3.54 billion] due to both the increase in GWP and increase in incentives paid.
- Life insurance contract liabilities, including unit linked funds, increased by 19% to Rs.82.60 billion due to both growth of the business and a decrease in interest rates.
- Whilst the increase in underwriting and net acquisition costs, claims and benefits, and life insurance contract liabilities impacted the PBT, prudent expense management, proactive cost control and optimisation initiatives implemented by the business resulted in a decline in UA's expense ratio by 1% in 2024/25 in comparison to an increase of 26% recorded in 2023/24.
- UA recorded an annual life insurance surplus of Rs.3.00 billion in 2024/25 compared to Rs.2.80 billion in 2023/24.
- FIL, an equity accounted investee under UA, with interests in the general insurance industry, recorded a 18% increase in PAT.

Banking

- Despite the decline in yields on interest-earning assets, NTB recorded a 3% growth in net interest income (NII), driven primarily by the strategic management of the treasury portfolio. NIMs declined to 6.6% in 2024/25 compared with 7.72% in the previous year given the declining interest rate environment.
- The Stage 3 loan ratio at 1.5% [2023/24: 2.3%] remained well below the industry average given the Bank's focus on proactive portfolio management, enhanced through effective customer engagement and the strategic application of data analytics for ongoing performance monitoring. The loan portfolio expanded given the improvement of economic activities and the declining interest rate environment.
- Influenced by the one-off loss from its relatively smaller than industry ISB portfolio disposal, which reduced income, the cost-to-income ratio increased to 34% during the year under review [2023/24: 31.4%].

Stock Broking

- JKSB recorded a significant improvement in performance supported by the strong growth of the CSE.
- JKSB continued to acquire and maintain high-net-worth investors to maintain the value of the customer base, which contributed to an improvement in performance.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	37.2		28.6		0.34		3.84
2023/24	36.1		27.9		0.35		3.71

The improvement in the ROCE of the Financial Services industry group was mainly driven by an increase in EBIT at NTB.

Outlook and Risks

The Financial Services industry group delivered a strong performance in 2024/25, supported by improving macroeconomic conditions and easing inflationary pressures. The Insurance business continued to leverage long term growth drivers such as favourable demographics and low industry penetration, while responding to challenges through product innovation and digital transformation. The Banking arm of the Group maintained strong asset quality and liquidity, supported by a stable interest rate regime.

The Group remains confident in the long term potential of the Financial Services industry group, driven by underlying strong fundamentals such as digital acceleration, increasing financial inclusion, and favourable regulatory and market conditions. The businesses are well-positioned to respond to both opportunities and evolving risks through prudent strategies, strong governance, and continued investment in innovation and operational resilience.

FINANCIAL SERVICES

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Decrease in disposable income of customers
  - Credit risk
  - Increasing medical costs resulting in higher claims
  - Changes in the regulatory environment*
- Financial exposure*, in particular to exchange and interest rates volatility
- Global competitiveness*
- Human resources and talent management*
- Environment and health & safety* in particular to climate risks
- Information technology*
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion.*

Opportunities Horizon

- A significant protection gap due to low insurance penetration compared to regional peers
- Shifting demographics creating demand for health, retirement and financial protection insurance solutions
- Increasing demand for digital infrastructure
- Shift towards cashless payments
- Integration of Artificial Intelligence (AI) and Robotic Process Automation (RPA) in operational, customer servicing and administrative tasks in the long term
- Increasing global and domestic focus on environmental, social and governance (ESG) presents opportunities for innovation in green lending, sustainable insurance products, and impact investing

Immediate to Short Term

Insurance

Given Sri Lanka's comparatively low life insurance penetration the favourable demographic trends and rising digital adoption, the life insurance sector is expected to offer strong short term growth opportunities. To leverage this potential, the business will continue to transition towards a value-centric model, to become a modern, digital-first, customer-oriented insurer. Accordingly, key strategies in the short term will revolve around:

- Expanding the agency channel to broaden market reach and customer engagement.
- Strengthening alternate distribution platforms to improve accessibility across demographic profiles.
- Building a customer-relevant product portfolio aligned with evolving consumer preferences.
- Strengthening bancassurance partnerships while maintaining alignment with stakeholder expectations, including those of the agency force.
- Addressing rising demand for retirement planning, health coverage, and financial protection solutions, in line with increasing life expectancy.
- Leveraging rapid urbanisation trends to expand physical branch presence and improve penetration into emerging catchment areas.
- Partnering with healthcare providers to enhance health insurance service delivery and build a more integrated customer experience.
- Accelerating digital transformation by adopting automation tools and analytics to enhance customer service, reduce costs, and improve process agility.
- Enhancing operational efficiency through cost optimisation.

Short term impacts on consumer discretionary spending will be challenging, potentially slowing new policy acquisitions and increasing policy lapse rates. A rise in medical expenses is also likely to pose challenges, particularly within the health insurance space, where claims ratios may remain high. Moreover, the prevailing low-interest rate climate will likely constrain investment income.

Emphasis will be placed on navigating these challenges adeptly by leveraging technology, data analytics, establishing partnerships, and implementing strategic risk management approaches to ensure the efficient and sustainable management of any potential risks, especially stemming from the business's health insurance portfolio. Digital and other capabilities built in the past will also aid the business in minimising the overall impact on operations, ensuring the persistency of existing policies while maintaining the trend of new business.

The Insurance business will continue to focus on implementing generative AI technologies to automate labour-intensive processes such as document verification, medical report processing, and claims handling. Additionally, productivity tools like 'co-pilot' features will be introduced to enhance internal efficiencies. Advisors will be empowered to better serve customers through platforms such as the Clicklife app, thereby reinforcing digital engagement and service excellence.

Banking

In the immediate term, favourable macroeconomic conditions, rising consumer confidence, and the resumption of vehicle imports are expected to generate new opportunities in consumer lending. The Bank will remain focused on seizing these growth avenues through a measured and risk-conscious approach to lending, while maintaining its strong liquidity profile.

Digitalisation will remain a core strategic enabler, with continued emphasis on enhancing the customer value proposition and driving operational efficiencies across the Bank. Through ongoing innovation and investment in technology, NTB aims to strengthen its competitive positioning and better meet evolving customer needs. Other key strategies in the short term will entail:

- Prioritising profitability by effectively managing funding costs and upholding superior asset quality.
- Optimising returns in a low-interest rate environment through prudent management of cost of funds and efficient capital allocation.
- Delivering personalised, customer-centric financial solutions throughout the customer lifecycle.

- Utilising technology to spearhead innovations, enhance customer value offerings, and streamline operational processes.
- Supporting an agile and engaged workforce capable of navigating industry shifts.
- Continuing implementation of the Bank's ESG strategy, embedding environmental and social considerations across operations.

Stress testing will continue to play a critical role in evaluating the Bank's preparedness, with particular emphasis on scenarios involving the low-interest rate regime in Sri Lanka and based on global geopolitical tensions and policy uncertainties. These stress tests aim to ensure capital and liquidity buffers remain robust, while enabling timely responses to external shocks and macro-financial risks.

Stockbroking

Positive developments in the domestic macroeconomic environment, including greater foreign currency stability, declining inflation, and a rebound in domestic and foreign investor confidence, have supported the performance in the CSE.

The prevailing low-interest rate regime has enhanced the relative attractiveness of equities, encouraging a shift in investor preference from fixed income instruments to capital market investments. These conditions present a favourable opportunity for the stockbroking arm of the Group to capitalise on, against the backdrop of increased market activity and investor engagement. JKSB will focus on leveraging this momentum through enhanced client advisory services, digital platform optimisation, and broadening market access. Possible factors that could dampen investor sentiment include uncertainties surrounding domestic policy reforms, geopolitical tensions, and inconsistencies in policy implementation.

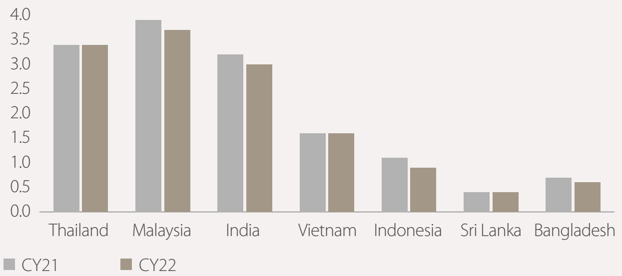
Medium to Long Term

Insurance

The Insurance business remains well positioned to capitalise on Sri Lanka's low insurance penetration, rising life expectancy, and increasing prevalence of non-communicable diseases. The business will continue to invest in product innovation, channel diversification, and digital capabilities to deliver value to customers.

Sri Lanka has a relatively low level of insurance penetration in comparison to regional markets.

Life Insurance Penetration in Regional Markets
(%)



Source : Swiss Re Institute, Sigma No 3/2023 report, Sigma No 4/2022 report and IRCSL Statistical Review 2022.

The Insurance business will continue:

- Transitioning into a fully digital, customer-focused insurer while strengthening long term profitability and community impact.
- Expanding and optimising a multi-channel distribution model including agency, bancassurance, and digital platforms.
- Offering modular, innovative insurance solutions tailored to evolving customer needs across health, retirement, and wellness.
- Executing a digital roadmap anchored on AI, RPA, and data analytics to enhance customer engagement, streamline operations, and deliver cost efficiencies.
- Using predictive analytics and dynamic pricing to support product development, underwriting, and claims accuracy.
- Leveraging partnerships with healthcare providers and bancassurance partners to expand reach and deliver integrated service offerings.
- Enhancing service delivery and engagement through mobile apps, social media, and virtual platforms.
- Strengthening cybersecurity and data privacy.
- Fostering talent retention and upskilling, especially within the agency force and the retention of the trained talent pool.

Banking

The medium to long term outlook for NTB remains promising, with the Bank positioned to leverage opportunities stemming from the ongoing macroeconomic recovery and digital transformation. Recent strategic investments to strengthen the Bank's digital capabilities, along with a flexible operating model and strong customer relationships, have laid the foundation for sustained growth.

The business will prioritise:

- Further strengthen digital infrastructure and processes to enhance customer experience, drive operational efficiency, and deliver innovative financial solutions.
- Prioritise workforce development through targeted upskilling initiatives, ensuring agility and readiness for a rapidly evolving banking landscape.
- Maintain a selective, risk-based lending strategy to maximise returns while safeguarding asset quality.
- Expand the Bank's data and analytics capabilities to support strategic, insight-driven decision-making across the business.
- Integrate climate risk into core risk management frameworks, including portfolio modelling and stress testing.
- Scale investments in sustainable finance and low-carbon technologies, while actively managing the phased transition away from carbon-intensive sectors.

Stockbroking

JKSB will continue to cultivate foreign tie-ups in order to strengthen its presence amongst foreign institutional investors. The business will simultaneously work towards expanding its local client base aimed at local corporates, fund managers and high net-worth individuals. Investments in digital tools, research-driven insights, and differentiated service offerings will support this strategy, positioning the business to capture growth opportunities.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Contribution to the John Keells Group

Revenue	2%
EBITDA	8%
PBT	(45%)
Assets	14%
Carbon Footprint	1%
Employees	6%

Information Technology

IT Services

- John Keells IT (JKIT) - a boutique Information Technology (IT) consultancy and professional service provider with a vision to simplify and digitally transform businesses to be relevant in the data-driven experience economy.
- Key value stacks:
  - JKIT Strategy – experiencing a data-driven economy through design thinking.
  - JKIT Core – orchestrating enterprise application portfolios.
  - JKIT Cloud – architecting cloud transformation.
  - JKIT Platform – enabling a 'Smart' future.
  - JKIT Ecosystem – driving the Application Programming Interface (API) economy.

IT-Enabled Services

- Infomate - a business process management (BPM) service provider with the mandate of driving greater efficiencies for their clientele.
- Key focus areas:
  - Finance and accounting.
  - Payroll management.
  - Data digitisation.

Plantation Services

- John Keells PLC (JK PLC) – a leading tea and rubber broker.
- John Keells Warehousing (JKW) – operates a state-of-the-art warehouse for pre-auction produce.

Other

- JKH (Holding Company) and other businesses (Centre functions/divisions).

		2024/25	2023/24	2022/23
Financial and Manufactured Capital				
Revenue [1]	Rs.million	6,129	6,057	6,874
EBITDA	Rs.million	3,929	5,036	6,652
EBIT	Rs.million	3,581	4,726	6,435
PBT	Rs.million	(6,642)	(7,349)	7,111
PAT	Rs.million	(9,117)	(9,513)	3,876
Total assets	Rs.million	114,528	98,252	95,472
Total equity	Rs.million	9,847	(5,788)	(2,988)
Total debt [2]	Rs.million	96,948	95,434	90,352
Capital employed [3]	Rs.million	106,920	89,839	87,364
Natural Capital				
Energy consumption	kWh '000	6,494	7,073	7,505
Energy consumption per Rs.million of revenue	kWh/ Rs.million	1,059.41	1,167.84	1,091.75
Carbon footprint	MT	1,996	2,040	1,961
Carbon footprint per Rs.million of revenue	MT/ Rs.million	0.33	0.34	0.29
Water withdrawal	Cubic meters (m^3)	52,652	23,379	19,576
Water withdrawal per Rs.million of revenue	m^3/ Rs.million	8.59	3.86	2.85
Volume of hazardous waste generated	kg	31	-	-
Volume of non hazardous waste generated	kg	105,605	122,814	138,640
Waste generated per Rs.million of revenue	kg/ Rs.million	17.23	20.28	20.17
Human Capital				
Total Workforce	No.	1,285	1,341	1,350
Total employees	No.	1,044	1,285	1,294
Total contractor's personnel	No.	441	56	56
EBIT per employee	Rs.million	3.43	3.68	4.97
Average training per employee	hours	30.62	10.78	8.04
Total Attrition	%	35.54	37.10	37.40
Female employees	%	51	49	48
Total number of injuries	No.	11	4	4
Social and Relationship Capital				
Community Services and Infrastructure Projects [4]	Rs.'000	74,882	65,893	133,627

1. Key performance indicators for the calender year.
2. Revenue is inclusive of the Group's share of equity accounted investees.
3. Excludes lease liabilities.
4. For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.
5. Only the contribution to John Keells Foundation.

External Environment and Operational Review

Macroeconomic Update - Information Technology

- In CY2025, global IT spending is projected to reach USD 5.61 trillion, a 10% increase against CY2024, mainly driven by investments in cloud platforms, enterprise Artificial Intelligence (AI), cybersecurity frameworks, and digital experience transformation.
- The Asia-Pacific (APAC) region, including Sri Lanka, sustained its growth momentum, with technology spending rising by 6%, driven by increased digitisation in public services, manufacturing, banking, financial services, insurance (BFSI) and retail sectors.
- Sri Lanka's information and communication technology (ICT) and BPM industry remains a vital contributor to national economic growth, with export earnings from the sector increasing by 19% to USD 1.45 billion in 2024, the third-largest export earner for the country.
- The IT/BPM industry in Sri Lanka has a target of achieving USD 5 billion export revenue by CY2030.

Key Policy and Regulatory Highlights

- The Annual National Budget 2025 introduced a set of regulatory changes aimed at aligning the IT sector with global taxation standards while promoting long term digital competitiveness. These reforms, while phasing out certain exemptions, provide regulatory clarity.
  - Corporate Income Tax on export services at 15% was reinstated effective 1 April 2025.
  - Value added tax (VAT), which is at 18%, was imposed on digital services provided by non-resident suppliers, effective 1 October 2025.
  - Allocation of Rs.3 billion to digital economy initiatives including Sri Lanka Unique Digital Identity (SL-UDI), cybersecurity infrastructure, and cloud adoption incentives.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Information Technology

John Keells IT (JKIT) has been actively driving digital transformation through its five integrated service stacks: Strategy, Core, Cloud, Platform, and Ecosystem. These solutions support businesses become more agile, intelligent, and resilient in the evolving data-driven, experience economy.

JKIT maintained its market leadership in Sri Lanka and the United Arab Emirates (UAE), while pursuing expansion in India, Saudi Arabia, and Southeast Asia. A regionally adaptive operating model and a strong partner ecosystem facilitated penetration into sectoral transformation programmes across industries.

JKIT's growth was anchored by strategic alignments with three of the world's most influential technology platforms: SAP, Microsoft and Salesforce. JKIT led several enterprise resource planning (ERP) modernisation projects using SAP S/4HANA and RISE with SAP across industries. Listings on the SAP Store further enhanced solution accessibility and global reach. Further, Azure, the cloud computing service of Microsoft, underscored JKIT's cloud-native innovative leadership. JKIT delivered cloud transformation, security, and automation solutions using Azure, Power Platform, and Security, across APAC and the Middle East.

JKIT also expanded its customer experience transformation services using Salesforce Marketing Cloud, Service Cloud, and CDPs, delivering personalised engagement solutions for retail, BFSI, and hospitality clients. These alliances enabled JKIT to deliver cross-platform, AI-powered solutions and position itself as a full-spectrum digital transformation partner for mid-sized and large enterprises across emerging and mature markets.

In addition to strategic partnerships, JKIT was recognised by its principals for strengthening its presence and value addition in multiple fronts. Such principals have also helped in improving brand visibility and supporting scalable client acquisition regionally.

Infomate, the BPM arm of the Group, recorded an encouraging performance during the year and sustained its position among Sri Lanka's top six business process outsourcing (BPO) providers, expanding operations in Australia, the Nordic region, and the Middle East. During the year under review, the business diversified into the areas of human resource outsourcing and lead generation while adding seats in its core finance and accounting practice.

Awards - JKIT

- 'Partner of the Year' – Sri Lanka 2024 from SAP
- 'Partner of the Year' – Microsoft (India & South Asia)

Macroeconomic Environment - Plantation Services

- Global tea production increased marginally by 2% in CY2024, maintaining the same pace as CY2023. The growth in production was mainly driven by higher output in China, Kenya, Vietnam and Sri Lanka.
- Sri Lanka recorded a 2% growth in tea production to 262,150 MT during CY2024 [CY2023: 256,039 MT]. Production in high and medium grown elevations increased in comparison to CY2023, despite the impact from adverse weather conditions, especially in high grown areas.
- Sri Lanka tea exports for CY2024 stood at 245,790 MT in comparison to 241,913 MT recorded in CY2023. This increase was mainly attributed to the increase in exports to Iran, UAE, Russia and Iraq. The traditional major importers, Turkey and China, witnessed a decline in demand during the year.
- Average tea prices at the Colombo Auction increased by 5% during CY2024 to Rs.1,225.17 in comparison to Rs.1,171.29 recorded in CY2023. In USD terms, the average tea price witnessed a increase of 14% from USD 3.59 per kilogram (Kg) in CY2023 to USD 4.08 per kg in CY2024 due to the appreciation of the Sri Lankan Rupee against the US Dollar.
- Total export earnings in CY2024 grew by 1% amounting to Rs.433.47 billion (USD 1.43 billion), compared to Rs.428.29 billion (USD 1.31 billion) recorded in the previous year.

Key Policy and Regulatory Highlights

- Effective from 10 September 2024, the minimum basic wage of tea and rubber workers increased from Rs.1,000 to Rs.1,350, along with a productivity incentive of Rs.50 per additional Kg.

Plantation Services

The Sri Lankan tea industry encountered numerous challenges during the year under review mainly on account of lacklustre growth in major export destinations. This shortfall was largely due to geopolitical tensions in the Middle East and Russia, which negatively impacted trade activity.

Whilst the overall market tea auction prices have increased, no seasonal peaks on market pricing were observed during the year. Adverse weather conditions, particularly record rainfall and an increased number of wet days, negatively affected both the production volume and the quality.

During the year under review, production costs decreased due to downward revisions in electricity tariffs, enhanced efficiency in fuel and power usage, and lower market prices for packing materials despite the higher labour costs resulting from the rise in the minimum wage rate.

JK PLC recorded an increase in the volumes of the high grown elevations during the year. The business took a strategic decision to reduce exposure to medium and low grown elevations to ensure financial stability and minimising exposure to credit risks. This resulted in a decrease in volumes from the medium and low grown elevations, which negatively impacted market share. The business also secured new business which contributed ~500,000 kg to the overall volumes.

JKW utilisation increased to ~85% during the second half of 2024/25 whilst an increase in rental income rates contributed positively to profitability. The automated goods received note (GRN) process which was under implementation during the previous year was concluded in November 2024; this is envisaged to reduce costs due to the process efficiency and the reduction in paper usage. The project of rehabilitating the warehouse roof at JKW to accommodate the installation of a two-megawatt solar power system in partnership with a solar developer is underway and JKW is expected to record revenue from this project from Q2 2025/26 onwards.

Tea Small Holder PLC (TSF) achieved a marginal growth in low grown tea production compared to the previous year, as the company prioritised quality over quantity. During the year, TSF increased its premiums to command 5% above the national average [2023/24: ~3%]. Despite the increase in wages of tea and rubber workers during the year, TSF was able to reduce the cost of production through initiatives to manage machinery related maintenance work on a contract basis.

During the year, TSF advanced the development of its management dashboard aimed at monitoring key performance indicators (KPIs) and supporting data-driven decision-making. A company website was published along with the creation of social media pages for all the factories during the year under review. These platforms were utilised to promote Corporate Social Responsibility (CSR) activities and branding initiatives to local tea exporters, international importers, and other stakeholders.

In April 2025, JKH divested the totality of its 37.62% equity stake in TSF, comprising of 11,286,000 ordinary shares, at Rs.35 per share for a total consideration of Rs.395 million.

John Keells Research.

Other

In addition to the Information Technology and Plantation Services sectors, the industry group also entails the Holding Company and its various divisions.

Holding Company

The Holding Company operates in a manner where each industry group operates with relative autonomy, whilst linked together for strategic direction through the Board and the Group Executive Committee. The Centre Functions of the Holding Company ensure best in class governance standards, uniformity in the policy framework, excellence and consistency in support services across the Group, aiding industry groups in managing crucial aspects effectively and receiving support in niche operational decision-making.

The Centre Functions of the Group entail:

Centre Function/ Division	Activities
Corporate Communications	• Manages the Group's internal communications and Group level communication with media personnel.
Corporate Finance and Strategy	• Evaluates mergers and acquisitions, effects financial evaluation, capital planning and monitoring. • Reviews the Group portfolio, facilitates planning, strategy formulation and manages business specific strategic projects/studies.
Data and Advanced Analytics – OCTAVE*	• Business transformation through the development of advanced data analytics use cases.
Group Business Process Review	• Oversees the integrity of the financial statements and internal control.
Group Finance and Insurance	• Consolidates Group accounts and provides guidance on interpretation and implementation of accounting standards for the Group. • Manages risk, coverage, claims and ensures compliance.
Group Human Resources (HR)	• Sets HR policy and coordinates /monitors Group HR processes.
Group IT	• Supports the Group's IT requirements.
Group Tax	• Development of Group tax strategy and planning.
Group Treasury	• Manages interest rate negotiations and foreign exchange, evaluates the sourcing of finance and manages the Group pension fund. • Provides treasury advice and ensures the facilities obtained are in line with Group norms.

** For a detailed discussion, refer the Intellectual Capital Review section of the report.*

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Centre Function/ Division	Activities
John Keells Foundation**	• A subset of sustainability which manages strategic CSR initiatives in line with the Sustainability Development Goals.
John Keells Research**	• Generates scientific research ideas and develop such ideas into Intellectual Property (IP) either to commence commercial production or monetise the IPs itself to generate revenue.
Legal and Secretarial	• Provides legal and secretarial support to Group companies.
New Business Development	• Development of new business opportunities for the Group.
Sustainability, Enterprise Risk Management and Group Initiatives	• Operationalisation of Group Sustainability Management Framework under which Group Companies carry out their specific sustainability strategies and initiatives. • Manages the Enterprise Risk Management system for the value creation process. • Manages Group-wide synergetic initiatives (sourcing and sharing of best practice on quality).
Social Entrepreneurship**	• Spearheads Plasticcycle, Group's social entrepreneurship initiative.

*** For a detailed discussion, refer the Social and Relationship Capital Review section of the report.*
**** For a detailed discussion, refer the Natural Capital Review section of the report.*

The year under review noted a continued recovery in the economy, marked by sustained improvements in key macroeconomic indicators. Headline inflation remained at negative levels since September 2024, while interest rates remained below 10%. On the back of improved foreign exchange inflows driven by higher tourism receipts and remittances, stable import demand and overall confidence, the Rupee appreciated against the US Dollar year-on-year. Against this backdrop, the Holding Company continued to focus on various measures to ensure an agile operating model, with emphasis on liquidity and cash management. The financial strength of the Holding Company, together with agility in planning ahead aided the Company in navigating the portfolio of businesses and supporting the investment pipeline of the Group.

OCTAVE, the Data and Advanced Analytics Centre of Excellence of the Group, functions as an independent advanced analytics practice, that has served the Group from inception, and more recently commenced providing advanced analytics services for clients outside the Group via commercial engagements. Further, it has been instrumental in supporting the Group's proactive planning and management of its diverse business portfolio.

During the year under review, OCTAVE developed and deployed bespoke advanced analytics solutions across the Retail, Consumer Foods, Leisure, Financial Services and Transportation industry groups.

John Keells X, the Group's start-up accelerator and open innovation programme, ceased operations during the year, although, the Group continues to support the partnerships already in place. The Group is of the view that innovation and partnerships driven and channelled directly by the businesses would have better alignment in terms of business priorities and strategic direction.

For a detailed discussion, refer the Intellectual Capital Review section of the report – page 111

During the year under review, JKH carried out a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares. The proceeds of the Rights Issue were to support the funding requirement of the Group subsidiary, Waterfront Properties (Private) Limited (WPL), the developer of the City of Dreams Sri Lanka integrated resort (CODSL).

Additionally, HWIC Asia Fund (HWIC) exercised its option to convert the remaining outstanding debentures amounting to 98,125,000 debentures with a face value of Rs.12.76 billion.

Refer Share Information section for a discussion on the key portfolio actions during the year – page 135

Financial Performance Review

Information Technology

Rs.million	2024/25	2023/24	%
Income Statement Indicators			
Revenue	2,469	2,243	10
EBITDA*	599	415	44
PBT	434	244	78
Balance Sheet Indicators			
Debt**	97	78	24

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

***Excludes lease liabilities.*

- The increase in revenue was mainly on account of the BPM business, Infomate, from onboarding of new customers.
- The notable growth in EBITDA was primarily attributable to JKIT, driven by the optimisation of its resourcing model for staff and consultancy arrangements. Revenue growth at Infomate, supported by margin improvements stemming from various efficiency and productivity initiatives, also contributed to the overall increase in EBITDA.
- The improvement in EBITDA flowed through to PBT and was further supported by reduced interest expenses owing to the lower interest rates which prevailed during the year. This increase in PBT was recorded despite higher borrowings at both JKIT and Infomate, on account of higher working capital requirements.

Plantation Services

Rs.million	2024/25	2023/24	%
Income Statement Indicators			
Revenue	3,452	3,757	(8)
EBITDA*	351	422	(17)
PBT	218	270	(19)
Balance Sheet Indicators			
Debt**	90	222	(59)

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

***Excludes lease liabilities.*

- The performance of the Plantation Services sector was impacted due to the decline in the quantity of tea sold by TSF and the reduction in the interest earned on loans and advances given to tea producers by JK PLC.
- Whilst TSF mitigated the revenue impact through various margin improvement initiatives, thereby recording a growth in EBITDA, this was partially offset by increases in the minimum basic wage of tea and rubber workers.
- The fair value gains on investment property pertaining to JK PLC and TSF were recorded at Rs.38 million [2023/24: Rs.72 million]. Accordingly, the recurring PBT of the industry group, excluding the fair value gains and losses on investment property, amounted to Rs.179 million [2023/24: Rs.198 billion].
- The reduction in debt is attributable to JK PLC, primarily driven by improved working capital management, particularly through a significant decrease in receivables. Despite lower profitability, the enhanced cash conversion from receivables strengthened cash flow, which was subsequently utilised to reduce bank overdrafts.

Refer Note 48 of the Financial Statements for the impact arising from the divestment of DFS.

Other

Rs.million	2024/25	2023/24	%
Income Statement Indicators			
Revenue	209	57	269
EBITDA*	2,979	4,198	(29)
PBT	(7,294)	(7,862)	(7)
Balance Sheet Indicators			
Debt**	96,761	95,135	2
Net Debt***	31,526	36,510	(14)

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

***Excludes lease liabilities.*

****Net debt is arrived by subtracting the Holding Company's total cash and cash equivalents, including its short term investments from its debt excluding leases.*

- The increase in revenue of the Holding Company was primarily due to an increase in external revenue from OCTAVE.
- EBITDA is comprised primarily of finance income at the Holding Company. The decline in finance income was on account of lower interest rates on its US Dollar cash balances, combined with the translation impact on US Dollar denominated interest income in lieu of the appreciation of the Rupee.
- The PBT of the Holding Company recorded a marginal improvement, reversing the decline in EBITDA, on account of the below:
  - A significant decrease in interest expense during the year under review, mainly due to the lower interest charge on the convertible debentures issued to HWIC Asia Fund (HWIC) compared to the previous year as the debentures were partially converted in February 2024. The total interest expense related to the convertible debentures amounted to Rs.1.80 billion as compared to Rs.3.83 billion in the previous year, which included notional non-cash interest of Rs.1.41 billion and Rs.3.02 billion respectively.
  - PBT for the period under review includes net exchange gains of Rs.20 million compared to net exchange loss of Rs.369 million recorded in the previous year on the net US Dollar denominated cash holdings at the Holding Company.
- The equity infusions from the Company were Rs.27.21 billion to WPL, the developer of the CODSL, and Rs.6.81 billion to Colombo West Container Terminal (CWIT), the project company of the West Container Terminal at the Port of Colombo.
- In December 2024, the Company commenced the repayment of the USD 175 million term loan facility from the International Finance Corporation (IFC). ~USD 8 million capital repayments were completed during the year and the current loan balance outstanding is ~USD 167 million.
- In January 2025, the conversion of the remaining 98,125,000 debentures by HWIC resulted in a further reduction in debt of Rs.11.62 billion.
- Since a majority of the equity infusions were made in the first half of the year under review, debt levels increased over the quarters. This trend reversed following the receipt of proceeds from the Rights Issue amounting to Rs.24.04 billion, in November 2024, as outlined previously. The proceeds were used to reduce short term revolving debt obligations and overdrafts of the Company prevailing at the time of receipt, until further equity is required by WPL.
- The Company recorded an increase in the net US Dollar portfolio balances, which were partially offset by the appreciation of the Rupee, in LKR terms.
- The aforementioned increase in the cash balance during the year, offset the increase in debt, resulting in an improvement in the net debt position.

Refer Financial and Manufactured Capital Review – page 24

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

The industry group recorded fair value gains on IP of Rs.64 million which stemmed from the Plantation Services sector and the investments at the Holding Company [2023/24: Rs.97 million].

The recurring PBT of the industry group, adjusting for fair value gains from IP, stood at a loss of Rs.6.71 billion, compared to the negative Rs.7.45 billion recorded in the previous year.

ROCE Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2024/25	3.6		58.4		0.06		1.08
2023/24	5.3		78.0		0.06		1.09

The ROCE of the Information Technology sector increased to 28.1% [2023/24: 8.9%].

The ROCE of the Plantation Services sector declined to 7.0% [2023/24: 9.9%].

Outlook and Risks

Information Technology

The Information Technology industry in Sri Lanka continues to demonstrate strong growth, driven by the increasing global demand for technology services that enable operational efficiency and digital transformation. The Group remains confident of the prospects of this industry, given growing traction for technology solutions that aid businesses to improve operations, increase efficiency and mitigate risks in general. The agile and rapidly evolving nature of the business is also expected to aid growth, given the industry's ability to move in tandem with customer preferences.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Changes in the regulatory environment*
- Supply chain disruptions*
- Financial exposure*, in particular exchange rate volatility
- Global competitiveness*
- Human resources and talent management*
- Environment and health & safety* including climate risks
- Information technology*
  - Cybersecurity threats
  - Commoditisation of services
  - Disruptive innovation
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion.*

Opportunities Horizon

- Traction for cloud computing
- Increased demand for emerging technologies such as artificial intelligence (AI), blockchain, and the Internet of Things (IoT)
- Data analytics
- Growing digital literacy in the country
- High literacy rates in the country
- Increased adoption of digital solutions and transformations by businesses
- Opportunities for managed services, outsourcing and offshoring
- Envisaged growth in the BPM industry
- Increased investment in technology infrastructure

Statista estimates the IT services market globally to reach USD 1.51 trillion in CY2025, with IT outsourcing dominating the market with an estimated market volume of USD 591.24 billion. The market is estimated to grow at a compound annual growth rate of ~6%, resulting in a USD 1.88 trillion market by CY2029.

Immediate to Short Term

- The information technology and communication industry in Sri Lanka continues to be recognised as a thrust sector in the country's national export strategy. The industry has a target of contributing USD 15 billion to the digital economy and generating USD 5 billion in export revenue by CY2030.
- In CY2024, ICT/BPM exports increased by 18.5% to USD 1,454 million, reinforcing the sector's growth momentum which is expected to continue.
- Digital literacy and adoption continue to rise across the country, creating ample opportunity for the industry to leverage.
- The Group's IT businesses are well positioned to leverage on its strategic partnerships and capabilities to offer smart software solutions, especially in the areas of cloud computing, software as a service (SaaS) and automation, with enhanced capabilities in cybersecurity, customer engagement, and digital solutions.
- The businesses will look to consolidate its position in current markets and also strengthen its partnerships with key partners.
- JKIT will focus on optimising contract management and operational delivery, especially in overseas markets with the right onsite/offsite blend, as well as a disciplined change management process.
- Human capital challenges, including attrition, talent flight, and cross-skilling are likely to persist in the future. The business will continue efforts to enhance its employee value proposition and offer career development, exposure, and diversified role scopes to attract and retain high-quality talent.
- The proposed introduction of a 15% income tax on profits from services rendered to foreign clients, where such services are utilised outside Sri Lanka and income is remitted in foreign currency, effective from 1 April 2025, may have implications on earnings from international operations and will be closely monitored.

Medium to Long Term

The Group expects continued and accelerated adoption of IT solutions, particularly cloud, SaaS, automation, advanced analytics, application modernisation, and cyber resilience. JKIT will continue to invest in building capabilities aligned with platform/ecosystem thinking and digital-first models.

JKIT will further leverage its strategic partnerships with SAP, Microsoft, and UiPath to expand regionally and globally, focusing on high-value consultative offerings across five key value stacks: Strategy, Core, Cloud, Platforms and Ecosystems. The business will continue to diversify beyond traditional ERP and enterprise applications, scaling its capabilities in customer engagement, intelligent automation, and managed development centres.

In the BPM space, the under-penetration of services in Sri Lanka and increasing global demand for nearshore and offshore talent continue to present substantial growth opportunities. Infomate is well positioned to capitalise on this demand, leveraging its strong and proven offshore delivery track record, cross-industry expertise, and ongoing process automation efforts. The business will continue to grow its market share by acquiring new clients, expanding geographically, and improving process efficiencies through digitisation and innovation.

Plantation Services

The prospects for the Plantation Services sector remain positive given its export-oriented nature and the gradual recovery in global tea demand. While the industry is supported by traditional markets and strong brand equity for Ceylon tea, the industry is navigating multiple external headwinds such as rising energy and freight costs, and geopolitical tensions which weigh on both demand and operating costs.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment*
  - Lacklustre growth in consumer demand
  - Changes in the regulatory environment*
- Supply chain disruptions*
  - Reduced exports and potential increase in tariffs stemming from geopolitical tensions
- Financial exposure*, in particular exchange rate volatility
- Global competitiveness*
- Human resources and talent management*
- Environment and health & safety*, including climate risks
- Information technology*
- Reputation and brand image*

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion.*

Opportunities Horizon

- Expansion into new markets regionally and globally
- Opportunities for premiumisation
- Emerging demand for teas infused with functional ingredients
- Technological integration, including the use of AI in the grading and auctioning process
- Cultural and experiential marketing

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Immediate to Short Term

- The Sri Lanka Tea Board (SLTB) expects the overall tea production to reach 280 million kilograms in CY2025 [CY2024: 262 million kilograms].
- Demand from health-conscious consumer segments remains strong, particularly in the Middle East.
- Ongoing geopolitical conflicts such as the Russia-Ukraine and the Israel-Palestine conflicts may continue to impact demand and cost structures. Additionally, lower prices from competing tea-exporting countries, such as Kenya and India, could cause some displacement of demand away from Sri Lankan teas, particularly in price-sensitive segments.
- US tariffs, although not directly applicable to Sri Lanka's tea exports due to limited exposure to the US market, could have ripple effects, such as:
  - Higher global freight and insurance costs, due to trade route disruptions.
  - Exchange rate volatility, particularly in secondary buyer markets, impacting their purchasing power.
  - A potential softening of global consumer demand in the event of a broader economic slowdown from tariff escalations.
- Environmental, Social, and Governance (ESG) factors like reforestation and environmental sustainability will be a key focal point of the sector.

Medium to Long Term

Global demand for low-grown orthodox tea, Sri Lanka's specialty, continues to be anchored in traditional markets such as Russia, Iraq, Libya, and Turkey. Despite macroeconomic volatility and currency fluctuations in these regions, consumer preference for the strength and aroma of Ceylon tea remains resilient. However, Sri Lanka faces intensified competition from other major producers such as Kenya, India, and China.

Sri Lanka's continued focus on quality and its positioning in the premium orthodox segment provide some buffer against volume-based competition. Brokers such as JK PLC will need to proactively manage producer engagement and auction strategies, while supporting estates in aligning their output with market demands, particularly in wellness teas, sustainably sourced products, and traceable origin-based marketing.

The long term priorities for JK PLC include:

- Driving volume growth by working with producers to ensure consistency in supply and reduce volatility in auction offerings.
- Further augmenting the strong financial and cost management strategies to improve performance levels.
- Optimising the warehousing operations, including increasing the use of solar energy, enhancing the racking systems, and improving the efficiency of loading and unloading operations.
- Transitioning all physical documents of the warehousing operations to electronic formats to minimise the environmental impact.

GOING BEYOND

GOVERNANCE

The Governance segment of the Annual Report outlines the various frameworks, procedures and processes in place to ensure that the value creation cycle of the Group continues unhindered.

GOVERNANCE

BOARD AND MANAGEMENT PROFILES

BOARD OF DIRECTORS

KRISHAN BALENDRA	GIHAN COORAY	AMAL CABRAAL	DR. SHARMINI COOREY	SUREN FERNANDO	MANIL JAYESINGHE	RUCHIRA SHUKLA	DR. HANS WIJAYASURIYA
P ED	P ED	A H N R P	N	A R H	A R		H N P SID

KRISHAN BALENDRA

Chairperson/CEO

Krishan Balendra is the Chairperson-CEO of John Keells Holdings PLC. He is also the Vice Chair of the Ceylon Chamber of Commerce and the Hon. Consul General of the Republic of Poland in Sri Lanka. He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank and the Colombo Stock Exchange. Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY

Deputy Chairperson/Group Finance Director

Gihan Cooray is the Deputy Chairperson/Group Finance Director and has overall responsibility of the Group's Finance and Accounting, Taxation, Corporate Finance and Strategy, Treasury, Information Technology and Corporate Communications functions. He is a former Chairman of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow member of the Chartered Institute of Management Accountants, UK, a certified management accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK. He serves as a committee member of The Ceylon Chamber of Commerce.

AMAL CABRAAL

Non-Independent Non-Executive Director

Amal Cabraal is a business leader with over four decades of management experience in both local and international markets. He currently serves as the Chairman of Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, Silvermill Investment Holdings and CIC Feeds Group of Companies. In addition, he is a Non-Executive Director of John Keells Holdings PLC. He is also a member of the Colombo Port City Economic Commission and serves on the Management Committee of the Mercantile Services Provident Society. Previously, Amal served as the Chairman and Chief Executive Officer of Unilever Sri Lanka, and has completed the stipulated maximum nine-year tenure as a Non-Executive Director of Hatton National Bank PLC. A marketer by profession and a Fellow of the Chartered Institute of Marketing UK. Amal holds an MBA from the University of Colombo and is an executive education alumnus of INSEAD-France.

SHARMINI COOREY

Independent Non-Executive Director

Dr. Sharmini Coorey is a former Department Director of the International Monetary Fund (IMF) and a former member of the Presidential Advisory Group advising the Government of Sri Lanka on multilateral engagement and debt restructuring. Her 35-year experience at the IMF includes surveillance and programme work in a range of advanced, emerging market, and developing countries in Africa, Asia, Europe, and the Western Hemisphere as well as Fund policy work. Prior to her retirement in November 2021, Dr. Coorey served for almost nine years as the Director of the Institute for Capacity Development, the IMF's department for capacity building. As its first Director—the most senior staff-level position at the IMF—she was instrumental in establishing the department and providing strategic direction for the governance, management, and funding of the IMF's capacity building activities and overseeing the IMF's training of government officials in policy-oriented macroeconomics. Dr. Coorey also served on the Investment Committee of the IMF Staff Retirement Plan and on the Editorial Committee of IMF Staff Papers. She was a visiting researcher at George Washington University's Elliott School of International Affairs and is currently an international policy fellow at Verite Research in Sri Lanka. Dr. Coorey holds Ph.D. and bachelor's degrees in economics from Harvard University.

SUREN FERNANDO

Independent Non-Executive Director

Counting over 25 years with MAS, Suren is the Group Chief Executive Officer of MAS Holdings (Pvt) LTD and was previously the Chief Transformation Officer of the company overseeing MAS' 2025 transformation. He was also the CEO of MAS Intimates, the largest division of MAS Holdings. Among many roles within the organisation, he also functioned in the capacity of Chief Operating Officer of MAS intimates in 2014, heading operations and taking leadership in providing strategic management directives. Suren holds a BSc. in Engineering from the University of Moratuwa and is a Fellow Member of the Chartered Institute of Management Accountants, UK. He has received extensive overseas business exposure and training, including Executive Education at Wharton Business School, University of Pennsylvania, INSEAD Business School, Ashridge Business School, Henley School of Management, University of Waikato in New Zealand, and Harvard Business School (Program for Leadership Development). Suren also serves in the Board of World Vision Sri Lanka as the Vice Chair, a non-profitable relief, development and advocacy organization dedicated to working with children, families and communities to overcome poverty and injustice.

BOARD AND MANAGEMENT PROFILES

BOARD OF DIRECTORS

MANIL JAYESINGHE

Independent Non-Executive Director

Manil Jayesinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Management Accountants (UK), Fellow Member of the Certified Management Accountants of Sri Lanka and a Member of the Chartered Institute of Public Finance & Accountancy. He started his career at the Ernst & Young, gaining extensive experience in a range of sectors including manufacturing, retail, hospitality, wholesale business and telecommunication, in his capacity as Partner of Ernst & Young for 30 years; and was the Country Managing Partner of Ernst & Young Sri Lanka & Maldives from 2021-2023, Head of Assurance Practice in Sri Lanka and the Profession Practice Director of Sri Lanka, from 2003 -2023. His forte in valuation of businesses and development of strategic plans for Financial Institutions, made him a key resource in financial services. He also served as Head of the IFRS/SLAS Desk in Sri Lanka. In his career spanning over 41 years of advisory and industry experience, he served as President and a council member of the Institute of Chartered Accountants of Sri Lanka, a Member of the Board of Sri Lanka Accounting & Auditing Standards Monitoring Board, a Council member of CMA Sri Lanka, member of the CIMA Sri Lanka Board, council member of the University of Moratuwa, a Member of the Securities & Exchange Commission of Sri Lanka, Member of the Board of Investments of Sri Lanka, member of the International Accounting Education Board of the IFAC, member of the Audit Advisory Committee of the Central Bank, Advisor to Audit Committees of PLC's and Banks, and Member of the National Chamber of Commerce of Sri Lanka. Currently he is, the Chair of the Statutory Accounting Standards Committee, a Member of the Statutory Auditing Standards Committee and serves on many other committees of the Institute of Chartered Accountants of Sri Lanka. He is also a Member of the Financial Reporting Standards Implementation and Interpretation Committee (FRSIICS), the Chair of the Accounting Standards Committee of the South Asian Federation of Accountants (SAFA), a Member of the Audit Committee of SLIM, Governing board member of the Central bank of Sri Lanka and Independent Non-Executive Director of Diesel & Motor Engineering PLC, Ceylon Hospitals PLC, C W Mackie PLC, Lanka Milk Foods (CWE) PLC, Lanka IOC PLC, Vallibel One PLC, Royal Ceramics PLC, Lanka Dairies Ltd and Sahasya Investments Ltd.

RUCHIRA SHUKLA

Independent Non-Executive Director

Ruchira Shukla is the Managing Partner and Co-Founder of Synapses, a VC Fund focused on STEM-led investments in ClimateTech and HealthTech. Previously, Ruchira was the South Asia Regional Lead for Disruptive Technology Investments at the International Finance Corporation (IFC), World Bank Group. She led IFC's investments in early-stage technology businesses as well as VC Funds and represented IFC on the boards of several start-ups and LP advisory committees. Her investments include Upgrad, Blackbuck, Bizongo, Tata1mg, Medgenome, Byju's, and several others. Also, as the Global Lead for the HealthTech business at IFC, Ruchira led IFC's investments and interventions in the HealthTech industry across emerging markets. Ruchira also ran IFC's South Asia business in Technology, Media and Telecom, and has previously worked with organisations such as Boston Consulting Group and Lehman Brothers. She has over 25 years of experience across venture capital and private equity investing, strategy consulting, and investment banking across Asia, US and Europe. Her sector focus spans consumer internet, enterprise technologies, B2B eCommerce, HealthTech, Edutech and eLogistics, with a keen interest in business models that leverage emerging technologies such as Web 3.0, AI, IoT and blockchain to disrupt traditional spaces. Ruchira studied at IIT Delhi and IIM Ahmedabad in India. She also graduated as Palmer Scholar from The Wharton School, University of Pennsylvania and is a Chartered Financial Analyst.

DR. HANS WIJAYASURIYA

Non-Executive Director

Dr Wijayasuriya serves as the Chief Advisor to the President of Sri Lanka on Digital Economy since January 2025, post stepping down from his position as Chief Executive Officer - Telecommunications Business and Group Executive Director at Axiata Group. Axiata is one of Asia's largest Digital Connectivity Providers.

Dr Wijayasuriya's career in the Telecommunication's Industry spans 30 Years, over 25 of which have been in the capacity of Chief Executive. Dr Wijayasuriya was honored (in 2024) with the 'Chairman's Award' by the GSM Association in recognition of Outstanding Contribution to the Global Mobile industry. Dr Wijayasuriya served as a member of the Board of Directors of the GSMA during the period 2022-2024.

In his previous role Dr Wijayasuriya led the Pan-Region Telecommunications Operations of the Axiata Group, spanning the markets of Malaysia, Indonesia, Bangladesh, Sri Lanka and Cambodia. Up to the year 2016, Dr. Wijayasuriya functioned as the Group Chief Executive of Dialog Axiata PLC (Dialog), Sri Lanka's leading multi-play connectivity provider, and one of the highest valued companies on the Colombo Stock Exchange.

Dr Wijayasuriya is a Past Chair of the Ceylon Chamber of Commerce. He was also named 'Sri Lankan of the Year' by Sri Lanka's premier business journal, LMD in 2008.

Dr. Wijayasuriya graduated from the University of Cambridge UK and subsequently obtained his PhD in Digital Mobile Communications from the University of Bristol UK. A Chartered Engineer and Fellow of the Institute of Engineering Technology UK, Dr. Wijayasuriya also holds an MBA from the University of Warwick UK.

- A Audit Committee
- H Human Resources and Compensation Committee
- N Nominations and Governance Committee
- R Related Party Transactions Review Committee
- P Project Risk Assessment Committee
- ED Refer Group Directory for directorships held by Executive Directors in other Group companies
- SID Senior Independent Director

GROUP EXECUTIVE COMMITTEE

DAMINDA GAMLATH	ZAFIR HASHIM	NAYANA MAWILMADA	SURESH RAJENDRA	CHARITHA SUBASINGHE	NADIJA TAMBIAH

DAMINDA GAMLATH

President

Daminda Gamlath is the President of the Consumer Foods industry group and has been with the John Keells Group since 2002. He was the Sector Financial Controller for the Information Technology sector and the Consumer Foods industry group before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining the John Keells Group, he worked at the Hayleys Group. Daminda holds a B.Sc. in Engineering from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants, UK.

ZAFIR HASHIM

President

Zafir Hashim is the Head of the Transportation industry group and the Plantation sector and has been with the Group for 22 years. He joined the Group in 2003, seconded to Lanka Marine Services where he served as CEO from 2005-2015. He has also served as a member of the Transportation Sector Committee from 2005. During the last 22 years he has held the position of CEO at John Keells Logistics Lanka Limited, and Mackinnons Mackenzie Shipping Co. Limited, Mack International Freight Limited and Mackinnons Travels Limited. He has an MSc in Chemical Engineering from the University of Birmingham, UK.

NAYANA MAWILMADA

President

Nayana Mawilmada is the President of the Property industry group at JKH. With extensive international experience in planning, facilitating, and managing large scale urban development and infrastructure projects across 15 countries, and working within both the private and public domains, Nayana brings a unique perspective to property sector endeavours. He is widely seen as a key advocate and spokesperson for sound urban development policy and planning in the country. Among his previous roles, Nayana has served as the Director General of the Urban Development Authority of Sri Lanka, Managing Director of York Street Partners (Private) Limited, a boutique investment bank in Colombo and as an Urban Development Specialist for the Asian Development Bank based in Manila, Philippines. His academic training includes an MBA from Harvard Business School, a Master of City Planning from Massachusetts Institute of Technology (MIT), and a Bachelor of Architecture from Hampton University in the USA. In recognition of his leadership in Sri Lanka's urban development space, he was also awarded an Eisenhower Fellowship in 2017.

SURESH RAJENDRA

President

Suresh Rajendra has over 30 years of experience in the fields of finance, travel and tourism, hotel management, property development and real estate management and business development both in Sri Lanka and overseas. Prior to joining the JKH Group, he was the Head of Commercial and Business Development for NRMA Motoring and Services in Sydney, Australia and Director/General Manager of Aitken Spence Hotel Managements (Pvt) Ltd, Sri Lanka. He is a Fellow member of the Chartered Institute of Management Accountants, UK.

He is a member of the Group Executive Committee of the John Keells Group. He is the President of the Leisure industry group and is also responsible for Union Assurance PLC, John Keells Information Technology (Private) Limited and John Keells Stockbrokers. He serves as a Director of Asian Hotels & Properties PLC, Union Assurance PLC, Trans Asia Hotels PLC, John Keells Hotels PLC and also in many of the unlisted companies of the John Keells Group.

CHARITHA SUBASINGHE

President

Charitha Subasinghe is responsible for the Retail industry group at JKH. He has been with the John Keells Group since 2003. He was the Sector Financial Controller of the Supermarket business, before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving over to John Keells. He is an Associate Member of the Chartered Institute of Management Accountants, UK as well as a Diploma Holder of the Chartered Institute of Marketing, UK. He also holds an MBA from the University of Colombo.

NADIJA TAMBIAH

President

Nadija Tambiah is a Barrister at Law and an Attorney at Law. She heads the Legal and Company Secretarial functions of the John Keells Group. She also heads the John Keells Foundation, the corporate social responsibility arm of John Keells Holdings PLC and is part of the JKH Diversity and Inclusion Initiative of the Group. She is a Trustee of the George Keyt Foundation, Geoffrey Bawa Trust, Lunuganga Trust, a member of the Executive Committee of the Colombo Museum of Modern Art. She is Vice Chair of the Women Directors Forum of the Sri Lanka Institute of Directors.

BOARD AND MANAGEMENT PROFILES

GROUP OPERATING COMMITTEE

SHERIN CADER	NELINDRA FERNANDO	ISURU GUNASEKERA	CHANGA GUNAWARDANE	ASHA PERERA	INOKE PERERA

NISREEN REHMANJEE	RAMESH SHANMUGANATHAN	HISHAN SINGHAWANSA	MIKAEL SVENSSON	ARAVINDA WANNIARACHCHI	RAVI WIJEWANTHA

SHERIN CADER

Executive Vice President

Sherin Cader is the Chief Financial Officer of the Financial Services industry of the John Keells Group. She has been with the John Keells Group since 1998, serving in many capacities across multiple sectors. She has played diverse roles across finance and operations in Financial Services, the IT Enabled Services sector and JKH Centre functions. She functioned as the Financial Controller at John Keells Holdings PLC from 2009 till 2012. Subsequently she took on the role of General Manager - Finance and Planning at Union Assurance PLC until her current role within the Financial Services industry group of JKH. Sherin also serves on the Board of Nations Trust Bank PLC as a Non-Executive Director. She is a Fellow Member of the Chartered Institute of Management Accountants UK, and the Association of Chartered Certified Accountants of UK and is also a Chartered Global Management Accountant. She is also SAP Certified in Managerial and Financial Accounting.

NELINDRA FERNANDO

Executive Vice President

Nelindra Fernando is the Chief Financial Officer for the Consumer Foods industry group. Nelindra has been with the John Keells Group since 2013. Prior to joining the Group, she worked at the MAS group for 12 years and Ernst & Young, Chartered Accountants for 4 years. Nelindra serves on the Board of Ceylon Cold Stores PLC as an Executive Director and at Keells Food Products PLC as a Non-Executive Director. She is a member of the Chartered Institute of Management Accountants of UK and the Institute of Chartered Accountants of Sri Lanka.

ISURU GUNASEKERA

Executive Vice President

Isuru Gunasekera is the Chief People Officer of the Group, whilst also overseeing Group Sustainability, Enterprise Risk Management and Group Initiatives. He joined the Group in 2001 into the New Business Development Division and thereafter headed Group Initiatives and also new projects for the Transportation sector. He was the CEO of John Keells Logistics for 10 years and CEO of Mackinnons Travels for a short period. Prior to joining the Group, he was attached to J P Morgan Chase. He holds a bachelor's degree in business administration from Loyola Marymount University, USA.

CHANGA GUNAWARDANE

Executive Vice President

Changa Gunawardane is the Chief Financial Officer (CFO) of the Leisure industry group and has been with the John Keells Group for over 15 years. He previously held the position of CFO of the Information Technology sector, as well as the Sector Financial Controller of the Airlines and Logistics SBU within the Transportation sector. With over 26 years of experience as a finance professional in varying industries including Pharmaceutical, Manufacturing, Management Services, Electrical Engineering and Construction, Changa is also a Fellow member of the Chartered Institute of Management Accountants UK and holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

ASHA PERERA

Executive Vice President

Asha Perera is the Chief Financial Officer of the Transportation industry group. She previously held the position of Chief Financial Officer at Union Assurance PLC. Prior to joining UA she held multi sectoral positions in Retail, Leisure, Information Technology and Plantation services. Prior to joining the John Keells Group in 2005, she held multiple operational and finance responsibilities in the Apparel industry. Asha holds a Master of Business Administration (MBA) from the Postgraduate Institute of Management (PIM), a BSc. in Management (Human Resource Management) from the University of Sri Jayewardenepura - Sri Lanka and is an Associate Member of the Chartered Institute of Management Accountants, U.K.

INOKE PERERA

Executive Vice President

Inoke Perera is the Sector Head of the Property industry at the John Keells Group. He previously held the position of Chief Operating Officer for the Property Group. Inoke joined the John Keells Group in September 2003 and was appointed as Head of Commercial Operations of the Property industry group in July 2006 and Head of Operations of the same Industry Group in July 2012. He started his career in accounting, holding positions in Financial Accounting, System Implementation, Management Accounting, Business Analysis and Finance. He then later switched to Project Management, Commercial and Operations. He has over 25 years' experience in Venture Capital, Consultancy, Property Management and Property Development Industry. He is an Associate Member of Chartered Institute of Management Accounting, UK. Master of Business Administration PIM (University of Sri Jayewardenepura), Currently reading for a Master of Laws (LLM) at Cardiff Metropolitan University, UK. He is an executive committee member of the Condominium Developers Association of Sri Lanka (CDASL).

NISREEN REHMANJEE

Executive Vice President

Nisreen Rehmanjee is the Head of Corporate Finance, Group Tax & Social Entrepreneurship of the John Keells Group. Starting her career as an accounts trainee with KPMG in 1995, she rose to the position of Director Tax in 2001. She then joined the John Keells Group as Head of Tax Strategy in 2005. Her overseas experience includes a stint with the Global Tax Solutions team in London during her tenure with KPMG and a 3-year secondment to India with the John Keells IT/ITES cluster as Head of Corporate Functions. She was instrumental in conceptualising and launching the 'Plasticcycle' initiative of the John Keells Group, which is focused towards reducing plastic pollution across Sri Lanka. Nisreen is a Fellow member of the Association of Chartered Certified Accountants, UK and an Associate Member of the Chartered Institute of Management Accountants, UK. Additionally, she is a member of the Tax Sub-committee of the Ceylon Chamber of Commerce, a past President of ACCA Sri Lanka and serves on the ACCA Sri Lanka member network panel.

RAMESH SHANMUGANATHAN

Executive Vice President

Ramesh Shanmuganathan is the Group's Chief Information Officer, a member of the Group Management Committee for the Information Technology sector, as well as Chief Executive of John Keells IT and John Keells X. Ramesh is also an Executive Director at John Keells IT, Infomate as well as John Keells Lanka BPO Services in addition to being a Non-Executive Director at Nations Trust Bank. He has over 25 years of experience in the ICT industry in Sri Lanka and the USA, with over 20+ years in C-level management. Ramesh is a Hayes-Fulbright Scholar and holds to his credit a Doctor of Philosophy (Technology Management) from Keisei International University (Seoul, South Korea), Master of Science (Information Technology and Computer Science) with Phi Kappa Phi Honours from Rochester Institute of Technology (New York, USA), Master of Business Administration from Postgraduate Institute of Management, University of Sri Jayewardenepura, Bachelor of Science in Electronics and Telecommunications Engineering with First Class Honours from the University of Moratuwa. He is at present reading for his Doctor of Business Administration (DBA) at the International School of Management, Paris. He is a Chartered Engineer, Chartered IT Professional and a Fellow of the British Computer Society and Institute of Engineers, UK. He has active memberships in several other professional institutions and is a visiting faculty member for several post-graduate programmes. He is an active advocate of Digital Transformation and Open Innovation and speaks in many international events and forums in this regard.

HISHAN SINGHAWANSA

Executive Vice President

Hishan Singhawansa is the Deputy CEO at Cinnamon Hotels & Resorts of the Leisure industry group and overlooks Cinnamon's entire portfolio of hotels and resorts in Sri Lanka and the Maldives including the development of the much-anticipated integrated resort project, Cinnamon Life Colombo. He has been with the John Keells Group since 2008 and started his career at the Retail industry Group of John Keells, where he headed Category Management and Supply Chain before being placed in the Leisure industry group in 2017. He holds a BSc in Engineering (Hons) Degree from the University of Moratuwa; and a MBA from the University of Wales.

MIKAEL SVENSSON

Executive Vice President

Mikael Svensson is the CEO of Cinnamon Hotels & Resorts and overlooks Cinnamon's entire portfolio of hotels and resorts in Sri Lanka and the Maldives including the development of the much-anticipated integrated resort project, Cinnamon Life Colombo. Mikael brings with him extensive international senior leadership experience in managing and operating large scale luxury hotels across Asia, the Middle East and Australia, of which over 20 years was with the Hyatt Group. He was the opening General Manager of the landmark luxury hotel on the trunk of the Palm Jumeirah, the Viceroy Palm Jumeirah, Dubai and the Grand Hyatt Mumbai, India. He was also the General Manager of the Park Hyatt Canberra, Australia and Hyatt Regency Hua Hin, Thailand. Prior to joining the John Keells Group, he was the Senior Vice President of Louis T Collection, a Singapore based hospitality management and building solutions company which owns a portfolio of hotels across Asia and Australia.

ARAVINDA WANNIARACHCHI

Executive Vice President

Aravinda Wanniarachchi is the Chief Financial Officer of Retail. He joined the John Keells Group in 2007 and was attached to the Corporate Finance and Strategy team prior to joining the Retail industry group. He is a Chartered Financial Analyst, an Associate member of the Chartered Institute of Management Accountants, UK and holds a BBA Marketing (Sp.) degree from the University of Colombo.

RAVI WIJEWANTHA

Executive Vice President

Ravi Wijewantha joined the Group in September 2003 and was appointed as Sector Financial Controller of the Property industry group in July 2006 and Chief Financial Officer of the same Industry Group in July 2017. He has over 24 years of experience in the fields of auditing and accounting. He is an Associate Member of the Chartered Institute of Management Accountants UK and holds an MBA from ICFAI University Dehradun India.

CORPORATE GOVERNANCE COMMENTARY

The Group's robust and comprehensive corporate governance framework, endeavours to create an enabling environment for growth in a structured, sustainable and transparent manner, whilst following all mandatory regulations and ensuring the highest levels of corporate governance.

The Group's corporate governance philosophy is institutionalised across all its business units, and this philosophy has continuously created value for all its stakeholders, notwithstanding the external environment and macroeconomic conditions.

The Group's governance framework is supported by internal policies, processes and structures aimed at meeting, and, where possible, exceeding accepted best practice, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practice, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation, integrity and transparency.

As the necessary governance processes and procedures were already embedded across the business, the Group's efforts during the year centred on presenting the governance narrative in a manner that clearly showcases the Board's involvement and contribution to value creation, thereby improving the quality and relevance of our governance reporting. Compliance with applicable statutory requirements is summarised in the narrative and discussed in detail in the compliance tables.

The ensuing discussion comprises of the following key aspects:

- Significant components of the JKH Corporate Governance System
- Monitoring mechanisms in place to ensure strict compliance with the Group's Governance policy
- Outlook and emerging challenges for corporate governance
- JKH's compliance with all mandatory requirements of law and its voluntary adoption of recommended codes in the governance field

Compliance Summary

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007 including applicable regulations
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Code of Best Practices on Related Party Transactions (2013) advocated by the SEC
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by Chartered Accountants (CA) Sri Lanka – compliant to the extent of business exigency and as required by the Group
Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Group
Transparency International Sri Lanka assessment criteria on transparency in corporate reporting
Reporting Frameworks
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative Standards
Internal Mechanisms
Articles of Association
Board Charter and Board Sub-Committee Charters
Internal Policies, which includes the Code of Conduct

1.1 Corporate Governance Highlights for 2024/25

- The Group undertook a thorough reassessment of its internal policy framework to align with the updated Listing Rules of the CSE. Additionally, a comprehensive Board Charter was formulated to establish a clear and consistent governance structure for the JKH Board, aimed at enhancing oversight, accountability, and operational effectiveness across the Group.

Refer Section 3.1.2 and 5.3

- Aligned with the revised Listing Rules of the CSE, the Group restructured the Board Committee framework for its listed subsidiaries. Effective 1 October 2024, separate Board Committees were established for each listed subsidiary. This marked a shift from the earlier practice where JKH's certain Board Committees, played this role, ensuring adherence to the Group's overarching governance principles. Going forward, while each respective subsidiary has its own Board Committee, the parent company Board Committee will have oversight to ensure broad alignment of the Group's governing principles.

Refer Section 3.2

- The Group embarked on a comprehensive financial transformation initiative aimed at optimising processes and improving efficiency, increasing agility, aligning with business strategy, and enhancing data-driven insights and decision-making by leveraging technology as an enabler. This involved a detailed analysis of financial workflows, identifying existing challenges, and reshaping the finance function to play a more strategic role in business operations. The transformation emphasised leveraging technology and advanced analytics, to address areas of manual work and enhance controls. By focusing on scalable processes, data-driven insights, and continuous improvement, the initiative aimed to strengthen reporting accuracy, support informed decision-making, and ensure robust financial system security.
  - While the supermarket and insurance businesses are already on the latest platform, the core system of the Group will be migrated to S/4 HANA, the latest SAP database built on a single data structure and architecture. These cloud-based solutions enable operational enhancements, real-time decision-making, increased agility, improved customer satisfaction, innovation, better risk management, and cost optimisation. The integration of advanced artificial intelligence (AI) driven analytics empowers

the Group with deeper insights into customer behaviour, market trends, and operational performance, fostering data-informed decision-making and personalised customer experiences.

Refer Section 4.4

- The Group has in place a Forensic Data Analytics platform to bolster financial governance and strengthen risk oversight through automated Transaction Outlier Detection. By continuously monitoring critical accounting data sets, the system identifies unusual patterns and issues categorised alerts for prompt management intervention. Harnessing the power of machine learning and behavioural analytics, this platform, which is aligned with international standards, enhances fraud detection, supports risk mitigation strategies and ensures regulatory compliance.

Refer Section 5.7.2

- The Group implemented measures to align its data governance practices with the Personal Data Protection Act No. 09 of 2022 (PDPA). Data Protection Officers (DPOs) have been designated across industry groups to oversee data compliance efforts, supported by a Data Governance Steering Committee that offers strategic guidance. To further enhance its data protection framework, the Group engaged external consultants to conduct a gap analysis, evaluate and refine its technical, security, and organisational measures. Additionally, the Group remains vigilant about regulatory developments and actively collaborates with the Data Protection Authority (DPA) through public consultations, ensuring sustained compliance and adherence to industry-leading best practice.

Refer Section 5.7.2

- The Group advanced its environmental, social, and governance (ESG) framework by refining its ambitions and establishing a robust governance structure. The ESG ambitions were formally approved by the Group's Executive Committee, followed by the introduction of a governance framework to oversee and implement these commitments effectively. Key roles were designated, including Group Ambition Heads, Group Ambition Champions, and a Group-level Steering Committee, each guided by clearly defined responsibilities outlined in the ESG Steering Committee mandate. Initial kick-off meetings were conducted to create milestone plans, ensuring steady progress towards the Group's short, medium, and long term ESG objectives.

Refer Section 4.7

- Building on the Group's overhaul of its Competency Framework, which introduced nine revised Success Drivers in the previous year, sector-specific awareness sessions and digital learning initiatives were implemented to engage employees. Success Drivers has been integrated into the performance management process to assess employees and identify development areas for 2024/25.

Refer Section 4.2.1

- To align with SLFRS S1 and S2, the local standards introduced by CA Sri Lanka for sustainability related financial disclosures and climate specific disclosures, the Group partnered with an external consultant with international expertise to perform a comprehensive gap analysis across both Group and sector-level teams. This initiative ensures readiness to meet the CSE's reporting requirements for 2025/26. The standards are effective from 1 January 2025.

Refer Section 6.4

1.2 Key Announcements in 2024/25 to the Colombo Stock Exchange

- Following the announcement in November 2023 regarding the termination of the Regulation S and Rule 144A Global Depositary Receipts (GDR) Programme, the termination and delisting of the Global Depositary Receipts Programmes from the Luxembourg Stock Exchange was completed in August 2024. The GDR programme was terminated owing to the relatively low number of GDRs in issue and given that they were not a significant contributor to facilitating trading in Company securities.

- In July 2024, JKH announced a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares. The proceeds of the Rights Issue were to support the project funding requirement at the Group subsidiary, Waterfront Properties (Private) Limited (WPL), the developer of the City of Dreams Sri Lanka integrated resort. Subsequent to shareholder approval, JKH raised Rs.24,042,175,200/- through the Rights Issue of 150,263,595 new Ordinary Shares at an issue price of Rs.160/- per share. The Rights Issue was oversubscribed, and the new Ordinary Shares allotted from the Rights Issue were listed on 22 October 2024.

- In November 2024, the Sub-division of Ordinary Shares in the ratio of one (1) existing share (post the Rights Issue) into ten (10) Ordinary Shares was completed, with the recommencement of the trading of shares on 6 November 2024.

- In January 2025, HWIC Asia Fund (HWIC) exercised its option to convert the remaining 98,125,000 convertible debentures, amounting to Rs.12.76 billion. As a result, JKH issued and listed 1,079,375,000 new Ordinary Shares, as adjusted for the impacts of the Rights Issue and Sub-division of Shares. This issuance led to a dilution of 6.13%, with HWIC's shareholding in JKH increasing to 24.31% of the total Ordinary Shares as of 24 January 2025. Consequently, the public holding percentage of JKH decreased from 79.81% to 74.93% as of 24 January 2025, following the listing of these new shares. There are no outstanding convertible Debentures as all Debentures originally issued have now been fully converted.

- In line with the revised CSE Listing Rules, Mr. D.A. Cabraal was redesignated as a Non-Independent Non-Executive Director of JKH, effective from 1 January 2025, as Mr. Cabraal no longer met the independence criteria due to his service on the Board exceeding nine years.

- In April 2025, the Group divested the totality of its 37.62% equity stake in Tea Smallholder Factories PLC, a subsidiary of JKH, comprising of 11,286,000 ordinary shares, at Rs.35 per share for a total consideration of Rs.395 million.

- The Board declared a final dividend of Rs.0.50 per share in May 2024 for the financial year 2023/24. The Board approved a first and second interim dividend of Rs.0.05 per share each, in November 2024 and February 2025. The per share dividend is similar to the dividend of Rs.0.50 per share that was historically declared prior to the sub-division of shares of 10 shares for every 1 share held which was carried out in November 2024. A final dividend of Rs.0.05 per share was declared for May 2025 for the financial year 2024/25. Accordingly, the dividend declared for 2024/25 is Rs.0.15 per share [2023/24: Rs.1.50 per share (Rs.0.15 per share if adjusted for comparison purposes)], amounting to a total dividend outlay of Rs.2.59 billion.

1.3 Board Appointments and Retirements in 2024/25

- Having completed over nine consecutive years on the Board, Mr. N. Fonseka (Senior Independent Director) retired from the Board of Directors with effect from 1 July 2024.
- Dr. H. Wijayasuriya was appointed as the new Senior Independent Director with effect from 1 July 2024.
- Mr. M. Jayesinghe was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2024.
- Ms. R. Shukla was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2024.

1.4 Highlights of the 45th Annual General Meeting Held on 28 June 2024

- Dr. H. Wijayasuriya, who retired in terms of Article 84 of the Articles of Association of the Company was re-elected as an Independent Non-Executive Director of the Company.
- Dr. S. Coorey, who retired in terms of Article 84 of the Articles of Association of the Company was re-elected as an Independent Non-Executive Director of the Company.
- Mr. S. Fernando, who retired in terms of Article 91 of the Articles of Association of the Company was re-elected as an Independent Non-Executive Director of the Company.
- Ernst & Young (E&Y) was re-appointed as the External Auditors of the Company and the Directors were authorised to determine the remuneration of E&Y.

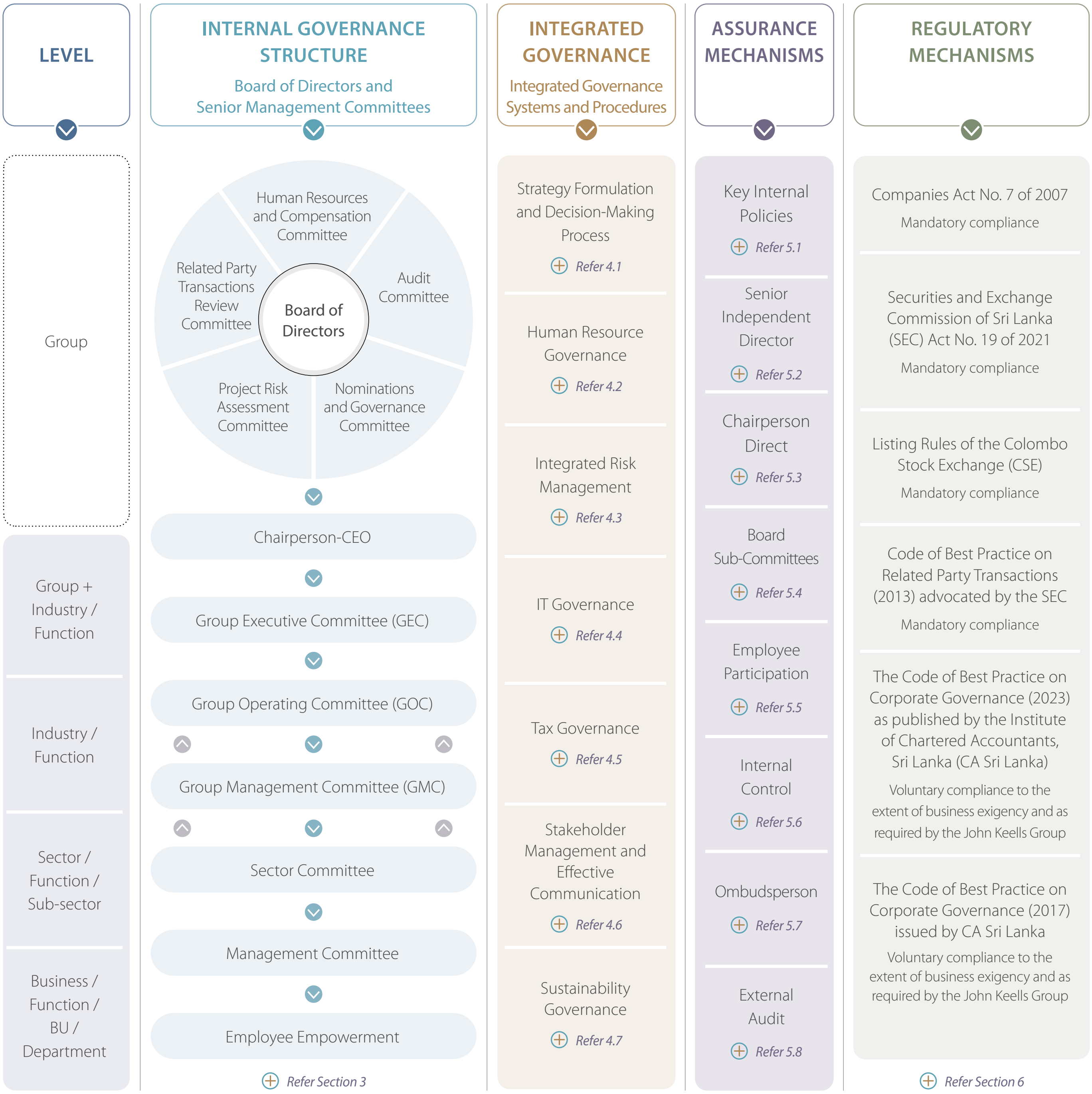
The 46th Annual General Meeting of the Company will be held on 27 June 2025.

1.5 Extra Ordinary General Meetings

- An Extraordinary General Meeting took place on 28 June 2024, during which the Articles of Association were amended to incorporate the requirements outlined in Section 9.9 of the revised Listing Rules of the CSE regarding Alternate Directors.
- An Extraordinary General Meeting took place on 9 September 2024, for the purpose of passing the resolution on a Rights Issue and the Sub-division of Ordinary Shares of the Company.

NAVIGATION OF CONTENTS

2 THE CORPORATE GOVERNANCE SYSTEM



- All five Board Sub-Committees are chaired by Independent Directors appointed by the Board.
- The Chairperson-CEO is present at all Human Resources and Compensation Committee meetings unless the Chairperson-CEO's performance assessment or remuneration is under discussion. The Deputy Chairperson/Group Finance Director is invited, as necessary.
- Audit Committee meetings are attended by the Chairperson-CEO, the Deputy Chairperson/Group Finance Director and the Head of Group Business Process Review, as the Committee Secretary. External Auditors and the Group Financial Controller are regular attendees.
- The GOC acts as the binding agent to the various businesses within the Group towards identifying and extracting Group synergies.
- Only the key components are depicted in the diagram.

3 INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure comprises of the committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed for doing so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods, and is illustrated as follows:

Board of Directors

Refer 3.1

Purpose: Assess the overall direction and implement strategy of the business; fiduciary duty towards protecting stakeholder interests; monitor the performance of the senior management; ensure effectiveness of governance practices; implement a framework for risk assessment and management, including internal controls etc.

Audit Committee

Purpose:
Compliance with policies and procedures, assess the qualifications, independence, remuneration, and performance of external auditors, review the Group's financial statements, and evaluate the effectiveness of risk management systems and internal controls as recommended by internal auditors.

Refer 3.2.1

Human Resources and Compensation Committee

Purpose:
To assist the Board in the establishment of remuneration policies and practices that are fair, appropriate and competitive.

To review and recommend appropriate remuneration packages for the CEO, other Executive Directors and Key Management Personnel and review the performance of the Company's top talent/monitor succession planning and the periodically review Group's PMS.

Refer 3.2.2

Nominations and Governance Committee

Purpose:
Oversight of the process of appointment, re-election and re-appointment of Directors for listed subsidiaries in accordance with the Group's framework, ensure a comprehensive Board induction process is in place, to ensure that an acceptable methodology is in place for a self-evaluation of the Board, to review and recommend an overall corporate governance framework, periodically ·in consultation with the Chairperson-CEO, review the CEO succession planning, in liaison with all Independent Directors.

Refer 3.2.3

Related Party Transactions Review Committee

Purpose:
To ensure that all related party transactions of the Group are consistent with the Code on Related Party Transactions issued by the SEC and the Listing Rules of the CSE.

Alignment with Group policies and procedures, ensure shareholder interests are protected, and fairness, integrity and transparency are maintained.

Refer 3.2.4

Project Risk Assessment Committee

Purpose:
To evaluate and assess risks associated with significant new investments at the initial stages of formulation and in any event prior to making any contractual commitments for the long term.

Refer 3.2.5

Leadership and control

Accountability through reporting obligations

Chairperson-CEO

Refer 3.3

Purpose as Chairperson:

- To provide leadership to the Board whilst inculcating good governance and ensuring effectiveness of the Board.
- Ensure constructive working relations are maintained between the Executive and Non-Executive (including Independent) members of the Board.
- Ensure, with the assistance of the Board Secretary, that:
  - Board procedures are followed.
  - Information is disseminated in a timely manner to the Board.

Purpose as CEO:

- Execute strategies and policies of the Board.
- Ensure the efficient management of all businesses.
- Ensure the operating model of the Group is aligned with short and long term strategies of the Group.
- Ensure succession planning at very senior levels is planned.

Reporting obligations

Operations Management Performance feedback

Delegated authority

Senior Management Committees

Refer 3.5

Purpose: Led by the Chairperson-CEO, these committees execute strategies and policies determined by the Board, manage through delegation and empowerment the business and affairs of the Group, make portfolio decisions and prioritises the allocation of the capital, technical and human resources, thereby ensuring that value is created/enhanced for all stakeholders throughout the value chain.

Employee Empowerment

Refer 3.6

Purpose: Effective recruitment, development and retention of this vital stakeholder, by equipping employees with the necessary skill set and competencies, to enable them to execute management decisions.

The components of the internal governance structures are strengthened and complemented by internal policies, processes and procedures, such as, strategy formulation and decision making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship and stakeholder management and effective communication.

3.1 The Board of Directors

The JKH Board has the authority to manage the affairs of the Group in accordance with its Articles, applicable law and the Group's operating model. Aligned with the revised Listing Rules of the CSE effective from 1 October 2024, the Group restructured the Board Sub-Committees for its listed subsidiaries, where separate Sub-Committees were established for each listed subsidiary.

All decisions of the Board are made collectively and in a manner that upholds the principles of accountability, transparency, and good governance. Appropriate checks and balances are in place, as discussed in detail within this Commentary, to prevent the concentration of power in a single individual and to promote effective decision-making.

3.1.1 Board Oversight and Delegation of Authority

While the Board is accountable and responsible for the strategic direction and management of the Group, it delegates the authority to the Chairperson-CEO and senior management to carry out day-to-day operations of the businesses. Once the Board has delegated broad authority, its primary responsibility is to oversee management's performance and ensure compliance with the broad policies and established governance principles. The Board reserves the right to withdraw or change any delegation of authority as deemed appropriate.

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable, and whether the Board has received sufficient and accurate information from management to make that determination.

Typical areas of oversight include strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, risk management, information technology and security, governance and compliance, and ESG matters.

The Group's governance framework ensures that Directors are well-positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes, and controls that are in place to ensure that the Board is well informed on a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

3.1.2 Board Responsibilities and Duties

The Board's principal role is to oversee the management and governance of the Group, ensuring that it operates in the best interests of its shareholders and stakeholders. The Board Charter sets out the overall governance framework and the roles and responsibilities of the JKH Board. It is designed to ensure clarity and consistency in the Board functions and promotes effective oversight and accountability in the Group's operations.

While the Board assumes these responsibilities on behalf of the shareholders, the Directors recognise that other stakeholders including employees, customers, business partners, regulators and, ultimately, the general public will benefit from effective performance and enhanced governance processes.

The Board's key responsibilities include:

- Providing direction and guidance to the Group in the formulation of sustainable, high-level, medium, and long term strategies which are aimed at promoting the long term success of the Group.
- Reviewing and approving annual plans and long term business plans.
- Tracking actual progress against plans.
- Conducting business with an awareness on ESG factors and embedding these principles into the Group's operations, decision-making processes, and broader strategies.
- Reviewing human resource (HR) processes with emphasis on top management succession planning, including the diversity, equity and inclusion (DE&I) strategy.
- Ensuring operations are carried within the scope of the Enterprise Risk Management framework.
- Ensuring that IT governance aligns with the Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance, and technology investments.
- Appointing and reviewing the performance of the Chairperson-CEO.
- Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals and capital expenditure.
- Approving any amendments to constitutional documents.
- Approving the issue of JKH equity/debt/hybrid securities.
- Ensuring all related party transactions are compliant with statutory obligations.
- Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities.
- Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

3.1.3 Board Composition

The Group policy is to maintain a healthy balance between Executive, Non-Executive and Independent Directors, in keeping with the applicable rules and codes, with the Executive Directors bringing in deep knowledge of the businesses and the Non-Executive Independent Directors bringing in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, whilst enhancing fair-mindedness.

In terms of composition, the Board shall comprise no fewer than three and no more than twelve Directors, as permitted by the Articles. However, in accordance with the Listing Rules, the Board must have a minimum of five Directors. The optimal number of Directors ranges from five to ten, ensuring compliance with applicable laws while facilitating effective group dynamics, fostering individual responsibility, providing adequate expertise, and supporting sound decision-making. The Board includes at least two Independent Directors or such number equivalent to one third of the total number of Directors, whichever is higher, at any given time to be complaint with the Applicable Laws.

The key changes to the Board composition during the year under review are as follows:

- Mr. N. Fonseka, (Independent Non-Executive Director), retired from the Board with effect from 1 July 2024, having served on the Board of Directors for over nine consecutive years.
- Dr. H. Wijayasuriya (Independent Non-Executive Director) was appointed as the Senior Independent Director of the Company, with effect from 1 July 2024, consequent to Mr. N. Fonseka's retirement from the Board.
- Mr. M. Jayesinghe was appointed to the Board with effect from 1 July 2024 as an Independent Non-Executive Director.
- Ms. R. Shukla was appointed to the Board with effect from 1 July 2024 as an Independent Non-Executive Director.
- Mr. A. Cabraal was redesignated as a Non-Independent Non-Executive Director of the Company, with effect from 1 January 2025 given the fact that Mr. Cabraal no longer meets the independence criteria outlined in the Listing Rules of the CSE, due to his service on the Board exceeding nine years. It is the view of the Board that the retention of Non-Executive Directors such as Mr. Cabraal will supplement the deliberations of the Board by providing more institutional knowledge, particularly with long gestation projects such as Cinnamon Life at City of Dreams Sri Lanka coming into fruition and ramping up to full scale operations over the next few years.

As at 27 May 2025, the Board comprised of eight Directors, with five of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board, and one Director being Non-Independent Non-Executive Director (due to his service on the Board exceeding nine years).

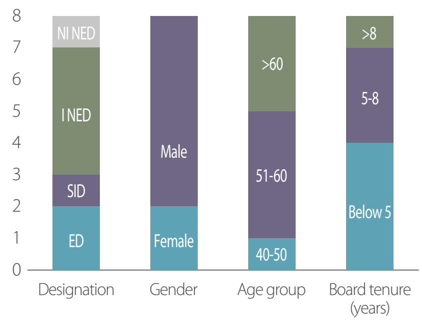
Name of Director	Executive/ Non-Executive Director	Independent/Non-Independent Director	Year of Appointment	Age (as at 31 March 2025)	Meeting Attendance (Eligible to attend/ Attended)	Board Sub-Committee Membership (as at 31 March 2025) AC	HRCC	NGC	RPTRC	PRAC	Tenure on the Board (Years as at May 2025)
A. Cabraal*	NED	NID	2013/14	68	8/8	●	●	●	●	●	11
S. Coorey	NED	ID	2022/23	66	8/8			▲			2
S. Fernando	NED	ID	2023/24	51	8/6	●	▲		●		1
N. Fonseka**	NED	ID	2013/14	72	1/1						11
M. Jayesinghe***	NED	ID	2024/25	62	7/7	▲			▲		9 months
R. Shukla**	NED	ID	2024/25	52	7/6						9 months
H. Wijayasuriya****	NED	ID	2016/17	57	8/8		●	●		▲	8
K. Balendra	ED	NID	2016/17	52	8/8					●	8
G. Cooray	ED	NID	2016/17	48	8/8					●	8

● *Member* ▲ *Chair*

**Non-Independent Non-Executive Director, effective from 1 January 2025, as he no longer met the independence criteria due to his service on the Board exceeding nine years.*
***Retired from the Board with effect from 1 July 2024*
**** Appointed to the Board with effect from 1 July 2024*
*****Senior Independent Director*

AC - Audit Committee
HRCC - Human Resources and Compensation Committee
NGC - Nominations and Governance Committee
RPTRC - Related Party Transactions Review Committee
PRAC - Project Risk Assessment Committee

Composition of the JKH Board



NI NED – Non-Independent Non-Executive Director
I NED – Independent Non-Executive Director
SID – Senior Independent Director
ED – Executive Director

3.1.4 Board Skills

The Board regularly assesses its collective skills and experience to align with the Group's strategic needs and will use its best endeavours to promote gender diversity and the representation of females on the Board in compliance with applicable law.

Collectively, the Board brings in a multi-dimensional wealth of exposure in the fields of management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

Further details of their qualifications and experience are provided under the Board and Management Profiles section - page 225.

3.1.5 Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision making, the Board is encouraged to seek independent professional advice, where applicable and relevant, in furtherance of their duties, at the Group's expense. This is coordinated through the Board Secretary, as and when requested.

3.1.6 Board Appointment

Board appointments follow a structured and formal process within the purview of the Nominations and Governance Committee. The Committee has overall responsibility for making recommendations to the Board on all new appointments and for ensuring that the Board and its Committees have the appropriate balance of skills. The Board considers the recommendations of the Nominations and Governance Committee for appointment or re-election by the Board and, where relevant, by the shareholders at the Annual General Meeting.

Details of new Director appointments are disclosed to the CSE and media at the time of their appointment through a public announcement, covering the following:

- A brief resume of the Director.
- The nature of their expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board committees.
- Whether such Director can be considered Independent.
- The Director's relevant interest in the shares of the Company.

Details of such appointments are also carried as relevant in Annual Reports, Interim releases and Investor Relations publications.

The Group has implemented requisite measures to ensure that the Directors and the CEO consistently meet the fit and proper criteria stipulated in Section 9.7 of and Independent Directors meet the independence criteria stipulated under Section 9.8.3. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper criteria outlined in the Listing Rules prior to presenting nominations at the shareholders' Meeting or making appointments. Additionally, annual declarations from Independent Non-Executive Directors are obtained to confirm compliance with independence criteria and annual declarations from Directors and CEO are obtained, confirming that each individual has consistently met the fit and proper assessment criteria outlined in these Rules throughout the relevant financial year and continues to meet the criteria as of the date of such confirmation and any non-compliances shall be disclosed.

The Terms of Reference for the members of the Nominations and Governance Committee, and the Committee report can be found in the Nominations and Governance Committee section of this report. - page 246

3.1.7 Board Induction and Training

When Directors are newly appointed to the Board, they undergo a comprehensive induction where they are apprised, inter-alia, of the Group values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes anti-corruption and anti-bribery) and the operational, environmental and social strategies of the Group.

Additionally, the newly appointed Directors are granted access to relevant segments of the business and are given the opportunity to meet with Key Management Personnel and other key service providers such as External Auditors and consultants, as required.

The Board of Directors recognise the need for continuous training and expansion of knowledge and undertakes such professional development, as they consider necessary, to assist them in carrying out their duties as Directors. To this effect, the Chairperson, Senior Independent Director (SID), and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board and the Nominations and Governance Committee is informed of significant developments in applicable laws, rules, regulations and corporate governance practices, including any impacts to the Group, including ensuring that the senior management reports on the Group's compliance with applicable laws, rules and regulations.

3.1.8 Re-Election

All Non-Executive Directors are appointed for a period of three years, aligned with the Annual General Meeting, and are eligible for re-election, subject to the recommendation of the Nominations and Governance Committee and approval of the Board. All Non-Executive Directors may serve a maximum of three (3) successive terms, totalling nine (9) years unless otherwise permitted under Applicable Law or unless an extended Board tenure is necessitated by the requirements of the Group.

All contracts are renewed by the Board based on the recommendation of the Nominations and Governance Committee. Nominations and Governance Committee recommendations will be based on the Director's meeting the fit and proper criteria and, in the case of Independent Directors, independence criteria in addition to other requirements pertaining to qualifications, skills and experience, strategic demands facing the company, time commitments and diversity.

In terms of the Articles of Association, one third of all the Executive and Non-Executive Directors retire by rotation, except for the Chairperson-CEO, and are eligible for re-election at the Annual General Meeting by the shareholders.

Annually, the Board discusses the possibility of any impairment of Director independence due to extended Board tenures and collectively evaluates the independence of such Board members.

3.1.9 Board Meetings

3.1.9.1 Regularity of Meetings and Pre-Board Meetings

The quarterly Board meetings are scheduled well in advance to ensure full attendance. Directors joining the Board and the Board Committees meetings through audio visual means are accounted for attendance. All pre-scheduled Board meetings are generally preceded by a Pre-Board meeting, which is usually held on the day prior to the formal Board meeting. In addition to these Pre-Board meetings, the Board of Directors communicate, as appropriate, when issues of strategic importance requiring extensive discussions arise.

The Board may increase the frequency of meetings based on the needs of the Board and the business exigencies of the Group. The Chairperson presides at all Board and Pre-Board meetings, unless excused or absent, in which circumstance either the Deputy Chairperson or Senior Independent Director shall lead proceedings. Directors are required to attend a minimum of two or 50% of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board.

Pertinent Board discussions and decisions are recorded by the Board Secretary in the Board minutes and such minutes are put forward for approval of the Board at the next Board meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Board Secretary.

During the financial year under review, there were eight Board meetings. The attendance at the Board meetings held during the financial year 2024/25 is given below:

Name	Year of Appointment to the Board	21/05/2024	30/07/2024	24/09/2024	05/11/2024	31/12/2024	25/01/2025	17/03/2025	31/03/2025	Eligibility	Attended
A. Cabraal	2013/14	✓	✓	✓	✓	✓	✓	✓	✓	8	8
S. Coorey	2022/23	✓	✓	✓	✓	✓	✓	✓	✓	8	8
S. Fernando	2023/24	✓	✓	✓	✓	×	✓	×	✓	8	6
N. Fonseka*	2013/14	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
M. Jayesinghe**	2024/25	N/A	✓	✓	✓	✓	✓	✓	✓	7	7
R. Shukla**	2024/25	N/A	✓	✓	✓	✓	✓	✓	×	7	6
H. Wijayasuriya	2016/17	✓	✓	✓	✓	✓	✓	✓	✓	8	8
K. Balendra	2016/17	✓	✓	✓	✓	✓	✓	✓	✓	8	8
G. Cooray	2016/17	✓	✓	✓	✓	✓	✓	✓	✓	8	8

**Retired with effect from 1 July 2024.*
***Appointed with effect from 1 July 2024.*

3.1.9.2 Timely Supply of Information

The Directors were provided with the necessary information, well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Group, in order to ensure robust discussion, informed deliberation and effective decision-making.

The Directors continue to have access to, and independent contact with, the corporate and senior management of the Group.

3.1.9.3 Board Agenda

The agenda for meetings is determined by the Chairperson, where relevant, consulting the Deputy Chairperson, the Senior Independent Director and Board Secretary, with information relevant to such meetings disseminated to the Board in a timely manner. During the period under review, the Chairperson-CEO ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary.

The typical Board agenda in 2024/25 entailed, discussion of matters arising from the previous minutes, submission of Board Sub-Committee reports, status updates of major projects and raising of capital, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure, ratification of Circular Resolutions and use of Common Seal, among others. Added emphasis was also placed on discussing and monitoring of progress on the commencement of operations of the Cinnamon Life hotel at City of Dreams Sri Lanka as well as the West Container Terminal at the Port of Colombo.

3.1.10 Board Secretary

The President - Legal, Secretarial and Corporate Social Responsibility (CSR) of the Group, who is an Attorney-at-Law by profession and a registered company secretarial practitioner, is the Secretary to the Board.

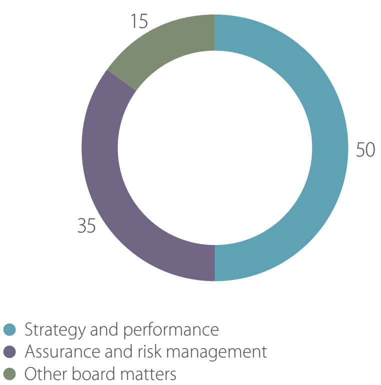
The key responsibilities of the Board Secretary:

- Assist the Board with compliance related matters pertaining to the Articles, Applicable Law and corporate governance practices adopted by the Group.
- Organise, coordinate, and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.
- Attend Board meetings and record minutes and ensure that all decisions are accurately documented.
- Facilitate regular updates to the Board on key developments in Applicable Law and corporate governance practices.
- Assist in monitoring the Board's compliance with internal policies.
- Facilitate communications between the Board and the management of the Group.

3.1.11 Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for the fulfilment of their duties as Directors of the Group. It is estimated that each Non-Executive Directors devoted ~30 full time equivalent days to the Group during the year. The general time allocation is illustrated below.

Time Commitment
(%)



In addition to attending Board meetings and Pre-Board meetings, the Directors have attended the respective Sub-Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with Key Management Personnel, when necessary.

3.1.12 Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2024/25. The process for the annual evaluation of the performance of the Board is established under oversight of SID and NGC and evaluation of CEO under HRCC. This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structures
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation

The scoring and open comments are collated by the Senior Independent Director to ensure an independent evaluation process. The results are analysed to give the Board an indication of its effectiveness as well as areas that require addressing and/or strengthening. Despite the original anonymity of the remarks, the open and frank discussions that follow include some Directors identifying themselves as the person making the remark, reflecting the openness of the Board. This process has led to an improvement in the Board dynamics based on the evaluations and deliberations in the past.

More recent deliberations have centred around the completion of the large ticket investments of the Group, continuous enhancement on the approach to proactively managing identification of risks, particularly in relation to cybersecurity risks, business resilience and enterprise risk management, including holistic ESG-related policies.

It also includes periodic 360-degree appraisals for Executive Directors and other Key Management Personnel.

3.1.13 Ensuring Independence and Managing Conflicts of Interests

As at 27 May 2025, the Board comprised of eight Directors, with five of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board. One Director is Non-Independent Non-Executive Director due to his service on the Board exceeding nine years.

The Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the Group.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretary for inspection by shareholders, on request.

Prior to Appointment

- Nominees are requested to make known their various interests.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

Once Appointed

- Directors obtain Board clearance prior to:
  - Accepting a new position.
  - Engaging in any transaction that could create or potentially create a conflict of interest.
- All NEDs are required to notify the Chairperson-CEO of any changes to their current Board representations or interests and a new declaration is made annually.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

During Board Meetings

- Directors who have an interest in a matter under discussion:
  - Excuse themselves from deliberations on the subject matter.
  - Abstain from voting on the subject matter (abstention from decisions is duly minuted).

Amendment to Section 9.8.3 (ix) of the Listing Rules of the CSE

With effect from 1 March 2025, CSE amended the listing rule section 9.8.3 (ix) Listing Rule relating to a Director losing his/her independence after reaching the age of 70 years. As per the amended rule, a Director above 70 years may be considered independent if:

1. The Nominations and Governance Committee recommends the appointment, providing justification and rationale.
2. The Board of Directors approves the recommendation.
3. The recommendation and Board approval are affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.

The existing Directors above 70 years may continue as Independent Directors if the entity complies with these conditions at the next General Meeting, held within 12 months of the rule's adoption. The approval process for Directors over 70 years to be considered independent must be repeated at each Annual General Meeting.

The independence of all its Non-Executive Directors was reviewed on the basis of criteria summarised as follows. The Non-Executive Independent Director did not have a conflict of interest, as per the criteria for independence outlined below.

Criteria for defining independence	Status of conformity of NEDs
1. Shareholding carrying not less than 10% of voting rights.	None of the individual EDs' or NED/IDs' shareholdings exceed 1%.
2. Director of another company*.	None of the NED/IDs are Directors of another related party company.
3. Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all non-executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.
4. Employment at JKH and/or material business relationship with JKH, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at JKH.
5. Close family member is a Director, Chief Executive Officer (CEO) or a Key Management Personnel.	No family member of the EDs or NED/IDs is a Director or CEO or a Key Management Personnel of a related party company.
6. Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NEDs, except Mr. A. Cabraal, satisfied this criterion for the year 2024/25. The Board of Directors resolved to redesignate Mr. A. Cabraal as a Non-Independent Non-Executive Director of the Company, effective from 1 January 2025. The redesignation is based on the fact that Mr. A. Cabraal no longer meets the independence criteria outlined in the Listing Rules of the CSE, due to his service on the Board exceeding nine years.
7. Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in JKH and/or JKH has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party company as defined.
8. Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, The Board of Directors approves the recommendation and Board approval is affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.	None of the Directors are above the age of 70.

** Other companies in which a majority of the other Directors of the listed company are employed or are Directors or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.*

3.1.13.1 Details in Respect of Directors

In accordance with the Group Policy and Applicable Law, the Directors shall not hold more than fifteen directorships in listed companies.

The following table illustrates the total number of Board seats held and employed as Key Management Personnel in other companies by each Director.

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
A. Cabraal	-	• Ceylon Beverage Holdings PLC • Lion Brewery (Ceylon) PLC • Sunshine Holdings PLC • Watawala Plantations PLC	-	• CIC Feeds (Pvt) Ltd – Chairman/NED • CIC Vetcare (Pvt) Ltd – Chairman/NED • CIC Poultry Farms (Pvt) Ltd – Chairman/NED • CIC Bio Security Breeder Farms (Pvt) Ltd – Chairman/NED • Asiavet Lifescience (Pvt) Ltd – Chairman/NED • Silvermill Investment Holdings (Pvt) Ltd – Chairman/NED • Sunshine Consumer Lanka Ltd – Chairman/NED • Sunshine Healthcare Lanka Ltd – Chairman/NED • Healthguard Pharmacy Ltd – Chairman/NED • Lina Manufacturing (Pvt) Ltd – Chairman/NED • Lino Spiro (Pvt) Ltd – Chairman/NED • Sunshine Foundation for Good-NED • Sunshine Tea (Pvt) Ltd – Chairman/NED • Moose Clothing Colombo (Pvt) Ltd – Chairman/NED
S. Coorey	-	• Dialog Axiata PLC	-	-

<table>
<tr><th rowspan="2">Name of Director</th><th colspan="3">No. of Board Seats Held in Other Listed Sri Lankan Companies</th><th rowspan="2">No. of Board Seats Held in Other Unlisted Sri Lankan Companies</th></tr>
<tr><th>Executive Capacity</th><th>Non-Executive Capacity</th><th>Key Management Personnel</th></tr>
<tr><td>S. Fernando</td><td>-</td><td>-</td><td>• CEO of MAS Holdings (Private) Limited</td><td>• MAS Capital (Private) Limited
• Unichela (Private) Limited
• Silueta (Private) Limited
• MAS Innovations (Private) Limited
• Aqua Trading Global (Private) Limited
• Linea Aqua (Private) Limited
• MAS Fabrics (Private) Limited
• Noyon Lanka (Private) Limited
• MAS Active (Private) Limited
• MAS Investments (Private) Limited
• Bodyline (Private) Limited
• Bodyline Trading (Private) Limited
• Texo (Private) Limited
• World Vision Lanka</td></tr>
<tr><td>M. Jayesinghe*</td><td>-</td><td>• Diesel and Motor Engineering PLC
• Ceylon Hospitals PLC
• C W Mackie PLC
• Lanka Milk Food (CWE) PLC
• Lanka IOC PLC
• Vallibel One PLC
• Royal Ceramics PLC</td><td>-</td><td>• Sahasya Investments Ltd
• Lanka Dairies Ltd
• NMJ Leisure (Pvt) Ltd
• Governing Board Member Central Bank of Sri Lanka
• Chairman Accounting Standards Committee Sri Lanka
• Chairman of the Accounting Standards Committee of the South Asia Federation of Accountants (SAFA)
• Member Auditing Standards Committee</td></tr>
<tr><td>R. Shukla*</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>H. Wijayasuriya</td><td>-</td><td>-</td><td>-</td><td>• Director of Colours of Courage Trust (Guarantee) Limited
• Director of Sigiriya Leisure (Pvt) Ltd
• Director of Sigiriya Residencies (Pvt) Ltd
• Director of Tangalle Leisure (Pvt) Ltd
• Dialog Foundation – Trustee
• Sigiriya Trust – Trustee</td></tr>
<tr><td>K. Balendra</td><td>-</td><td>• Asian Hotels & Properties PLC
• Ceylon Cold Stores PLC
• John Keells PLC
• John Keells Hotels PLC
• Keells Food Products PLC
• Trans Asia Hotels PLC
• Union Assurance PLC
• Tea Smallholder Factories PLC**</td><td>-</td><td rowspan="2">Director of several unlisted companies in the John Keells Group.***</td></tr>
<tr><td>G. Cooray</td><td>-</td><td>• Asian Hotels & Properties PLC
• Ceylon Cold Stores PLC
• John Keells PLC
• John Keells Hotels PLC
• Keells Food Products PLC
• Trans Asia Hotels PLC
• Tea Smallholder Factories PLC **</td><td>-</td></tr>
</table>

** Appointed with effect from 1 July 2024.*
*** Resigned with effect from 3 April 2025*
****Refer Group Directory of the Annual Report for further details*

Refer Board and Management Profiles for other appointments held in trade associations, regional and sectoral councils, regulatory bodies, among others.

Directors' Shareholding (John Keells Holdings PLC)	Shares as at 31 March 2025*	Shares as at 31 March 2024
A. Cabraal	2,767,030	250,137
S. Coorey	-	-
S. Fernando	477,400	36,900
N. Fonseka**	N/A	-
M. Jayesinghe***	525,670	N/A
R. Shukla***	-	N/A
H. Wijayasuriya	-	-
K. Balendra****	129,519,027	10,914,400
G. Cooray	4,524,450	208,587

*Adjustments have been made to reflect the Rights Issue and Sub-division of shares.
**Retired with effect from 1 July 2024.
*** Appointed with effect from 1 July 2024.
****Includes shareholding of spouse.

Executive Directors' Shareholding in Listed Group Companies:	Number of Shares as at 31 March 2025	
	K Balendra*	G Cooray
Ceylon Cold Stores PLC	802,320	-
Asian Hotels and Properties PLC	-	10,600
Trans Asia Hotels PLC	-	1,200

*Includes shareholding of spouse.

3.1.14 Director Remuneration

3.1.14.1 Executive Director Remuneration

The Human Resource Compensation Committee (HRCC) is responsible for determining the compensation of the Chairperson-CEO and the Deputy Chairperson/Group Finance Director, both Executive Directors of the Group. The HRCC operates in conformity with applicable rules and regulations.

The HRCC is comprised of majority Independent, Non-Executive Directors and serves as an independent conduit for shareholder and other stakeholder interests. The members of the HRCC, as with all other Directors of the Company, are appointed by the Board on the recommendations of the Nominations and Governance Committee and are put forward for re-election by the shareholders at the Annual General Meeting convened following their appointment.

Refer the Human Resources and Compensation Committee section of this report for further details. - page 245

A material proportion of Executive Director remuneration is variable. The variability is linked to the peer-adjusted consolidated Group bottom line and expected returns on shareholder funds, which aligns with the interest of shareholders by incentivising sustainable value creation over time. In determining remuneration, other non-financial key performance indicators (KPIs), including ESG considerations, are also given due prominence. Further, the HRCC consults the Chairperson-CEO about any proposals relating to the Executive Director remuneration, other than that of the Chairperson-CEO.

During the year, employee share options (ESOPs), valued using a binomial pricing model, were granted to the Executive Directors as well as to all other eligible employees.

Further details are found in the Notes to the Financial Statements section - page 376 and Share Information section - page 135.

Options available to Executive Directors under Employee Share Options Scheme:

Year of expiry	K Balendra			G Cooray		
	Granted shares (Adjusted)*	Immediately vesting	To be vested	Granted shares (Adjusted)*	Immediately vesting	To be vested
2025/26	4,510,637	4,510,637	-	4,310,164	4,310,164	-
2026/27	4,510,637	3,382,978	1,127,659	4,310,164	3,232,624	1,077,540
2027/28	4,510,637	2,255,319	2,255,318	4,129,739	2,064,870	2,064,869
2028/29	3,608,510	902,128	2,706,382	3,303,791	825,948	2,477,843
2029/30	4,460,519	-	4,460,519	4,104,680	-	4,104,680
Total	21,600,940	11,051,061	10,549,879	20,158,538	10,433,605	9,724,933

*Adjusted for Rights Issue and Sub-division of shares

Excluding ESOPs granted, the total aggregate remuneration paid to Executive Directors for the year under review was Rs.349 million [2023/24: Rs.263 million] of which Rs.156 million [2023/24: Rs.92 million] was the variable portion linked to the performance benchmark as described above and Rs.193 million [2023/24: Rs.171 million] was the fixed remuneration.

3.1.14.2 Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined by the Board, based on the principles of non-discriminatory pay practices and with reference to fees paid to other Non-Executive Directors of comparable companies, macroeconomic conditions, time commitments to be made by such Directors and the complexities of the Company and/or Group.

Non-Executive Directors were paid additional fees for either chairing or being a member of a Sub-Committee and did not receive any performance/incentive payments/share option plans.

The total aggregate of Non-Executive Director remuneration for the year was Rs.30 million [2023/24: Rs.26 million].

Directors' Remuneration and Compensation of Key Management Personnel of John Keells Holdings PLC for the year ended 31 March 2025:

LKR (millions)	2024/25	2023/24
Remuneration to Executive Directors	349	263
Fixed	193	171
Variable	156	92
Remuneration to Non-Executive Directors	30	26

Refer Note 44.7 of the financial statement for further details – page 393

3.1.14.3 Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

- Executive Directors: as per their employment contract similar to any other employee.
- Non-Executive Directors: accrued fees payable for Board and Board Committee membership, if any, as per the terms of their contract.

Apart from the remuneration and compensation disclosed above, no other considerations such as recruitment incentives, termination benefits, or retirement benefits have been made to the Directors.

3.2 Board Sub-Committees

Whilst retaining final decision rights, the Board has delegated certain functions to Board Sub-Committees. Members of these Sub-Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise.

The five Board Sub-Committees are as follows:

i. Audit Committee

ii. Human Resources and Compensation Committee

iii. Nominations and Governance Committee

iv. Related Party Transactions Review Committee

v. Project Risk Assessment Committee

Out of the five Board Sub-Committees, four are mandatory, whilst the Project Risk Assessment Committee was formed voluntarily, considering the need to understand the risks and feasibility of material new investments at an earlier stage for better alignment with the Board given the diverse nature of businesses within the Group.

Important matters arising from the Board Sub-Committee meetings are deliberated at the Board meetings, and any concerns identified are referred to the Board for oversight.

The Board Sub-Committees comprise predominantly of Independent Non-Executive Directors.

The membership of the five Board Sub-Committees is as follows;

Board Sub-Committee membership as at 31 March 2025	Audit Committee	Human Resources and Compensation Committee	Nominations Committee	Related Party Transactions Review Committee	Project Risk Assessment Committee
Senior Independent Non-Executive					
H. Wijayasuriya		●	●		▲
Independent Non-Executive					
S. Coorey			▲		
S. Fernando	●	▲		●	
M. Jayesinghe	▲			▲	
R. Shukla					
Non-Independent Non-Executive					
A. Cabraal	●	●	●	●	●
Executive					
K. Balendra – Chairperson-CEO					●
G. Cooray – Deputy Chairperson/Group Finance Director					●

● *Committee Member* ▲ *Committee Chair*

3.2.1 Audit Committee

Composition

- All members are Non-Executive Directors, with a majority being Independent and the chairperson of the Committee having significant, recent and relevant financial management and accounting experience, and membership in a recognised professional accounting body.
- The Chairperson-CEO and the Group Finance Director are permanent invitees for all Committee meetings. The Group Financial Controller is also present at discussions relating to Group reporting.
- The Head of the Group Business Process Review division is the Secretary of the Committee.

Scope

- Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
- Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.
- Obtain and review assurance received from the CEO, Group Finance Director and other Key Management Personnel, as relevant, that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's and Group's operations and finances.
- Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.
- Review the adequacy and effectiveness of internal and external audit arrangements.
- Review the risk policies adopted by the Company on an annual basis.
- Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

3.2.1.2 Audit Committee Meeting attendance

No. of meetings – Five

	Eligible to Attend	Attended	Date of Appointment
A. Cabraal	5	5	07/11/2013
S. Fernando	5	5	09/08/2023
N. Fonseka*	2	2	07/11/2013
M. Jayesinghe**	3	3	01/07/2024
By invitation			
K. Balendra	5	5	-
G. Cooray	5	5	-

**Retired with effect from 1 July 2024.*

***Appointed with effect from 1 July 2024.*

Note: The Committee convened at least once every quarter.

3.2.1.1 Report of the Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company and the Group, the internal control and risk management framework and systems of the Group, compliance with legal and regulatory requirements, the External Auditors' suitability, performance, and independence, and, the adequacy and performance of the Internal Audit function undertaken by the Group Business Process Review division (Group BPR). The scope of functions and responsibilities are adequately set out in the terms of reference of the Committee which has been approved by the Board and is reviewed annually. The Committee's responsibilities pertain to the Group as a whole and in discharging its responsibilities, the Committee places reliance on the work of other Audit Committees in the Group without prejudicing the independence of those Committees. However, to the extent, and in a manner, it considers appropriate, the Committee provides feedback to those entities for their consideration and necessary action.

The effectiveness of the Committee is evaluated annually by each member of the Committee and the results are communicated to the Board.

Composition of the Committee and Meetings

The Audit Committee comprises the following Independent Non-Executive Directors:

M Jayesinghe – Chairperson - Independent Non-Executive Director (appointed w.e.f. 1 July 2024)

A Cabraal – Non-Independent Non-Executive Director

S Fernando – Independent Non-Executive Director

N Fonseka – Independent Non-Executive Director (retired from the Audit Committee w.e.f. 1 July 2024)

The Head of the Group BPR division served as the Secretary to the Audit Committee.

The Audit Committee met five times during the financial year. Information on the attendance at these meetings by the members of the Committee is given in the ensuing section. The Chairperson/ CEO, the Deputy Chairperson/Group Finance Director, Group Financial Controller and the External Auditors attended most parts of these meetings by invitation. The Internal Auditors carried out outsourced assignments and relevant executives of the Company and the Group also attended these meetings when needed. The findings and corrective actions presented in the internal audit reports were reviewed by the Committee. The Group's Risk Management division presented to the Audit Committee the risk dashboard along with any changes. The Committee engaged with management to review key risks faced by the Group as a whole and the main sectors with a view to obtaining assurances that appropriate and effective risk mitigation strategies were in place.

The activities and views of the Committee were communicated to the Board of Directors quarterly through verbal briefings by the Chairman of the Committee, and by tabling the minutes of the Committee's meetings.

Financial Reporting

The Audit Committee has reviewed and discussed the Group's quarterly financial statements and the annual statements with the Management. The Committee received assurance from the Chairperson/CEO and Deputy Chairperson/Group Finance Director and Group Financial Controller of the Company that financial information provides a true and fair view of the Group's operations and finances, complying with applicable laws and regulations. The External Auditors were engaged to conduct a limited review of the Group's interim financial statements for the six months ended 30 September 2024. The results of this review were discussed with the External Auditors prior to publication of these statements. The scope of the review included ascertaining compliance of the statements with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters. Discussions were also held with the External Auditors and Management on matters communicated to the Committee by the External Auditors in their reports to the Committee on the audit for the year.

The Committee obtained independent input from the External Auditors on the effects of any new Sri Lanka Accounting Standards that came into effect for the year under review and satisfied themselves that the necessary preparatory work was carried out, to enable the Company to comply with these new standards.

The Committee is of the opinion that the Company is in compliance with the relevant legal and regulatory requirements including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting related regulations and requirements.

Internal Audit, Risks and Controls

The Committee reviewed the adequacy of the Internal Audit coverage for the Group and the Internal Audit Plans for the Group with the Head of the Group BPR division and the Management. The Internal Audit function of most Group companies is outsourced to leading professional firms under the direction and control of the Group BPR division.

The Group BPR division regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with laws and regulations and established policies and procedures of the Group. Reports from outsourced Internal Auditors on the operations of the Company and some of the unlisted subsidiaries of the Company were also reviewed by the Committee. Follow-up action was taken on the recommendations of the outsourced Internal Auditors and any other significant follow-up matters were documented and presented to the Committee on a quarterly basis by the Head of Group BPR. The Committee also reviewed the effectiveness of digital forensic tools used by Group BPR.

The Sustainability and Enterprise Risk Management division reported to the Committee on the process of identification, evaluation and management of all significant risks faced by the Group. The report covered the overall risk profile of the Group for the year under review in comparison with that of the previous year, and the most significant risks from a Group perspective together with mitigatory action. The Group functions in an environment where not all risks can be completely eliminated and in this context the Committee reviews remedial measures taken to manage risks that do materialise and the level of residual risk.

Formal confirmations and assurances were obtained from the Chairperson/CEO and relevant key management personnel of the Company on a quarterly basis regarding the efficacy and status of the internal control systems and risk management systems and compliance with applicable laws and regulations.

The Committee reviewed the whistleblowing arrangements for the Group and had direct access to the Ombudsperson for the Group. The effectiveness and resource requirements of the Group BPR division were reviewed and discussed with management and changes were affected where considered necessary.

External Audit

The External Auditors' Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and management prior to the commencement of the audit.

The External Auditors kept the Committee advised on an on-going basis regarding matters of significance that were pending resolution. Before the conclusion of the Audit, the Committee met with the External Auditors and management to discuss all audit issues and to agree on actions. This included the discussion of formal reports from the External Auditors to the Committee. The Committee also met the External Auditors, without management being present, prior to the finalisation of the financial statements to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work. No matters other than those already discussed with management and resolved were raised by the External Auditors.

The External Auditors' final management reports on the audit of the Company and the Company and Group financial statements for the year 2024/25 were discussed with the Management and the Auditors.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the John Keells Group and pre clearance was given for these services. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and formal confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka. Non audit services carried out by Auditors were undertaken in accordance with the Group's policy on engagement of external auditors for non-audit services following its strict enforcement procedure related to obtaining the mandatory pre concurrences for all Engagements undertaken by the External Auditor for such services. The Audit Committee's preapproved list of requests were presented by the Secretary at the quarterly Audit committee meetings for noting purposes.

Whilst Messrs. EY have been the External Auditor who has served the company for the last 39 years and the present Partner has served five years as at 31 March 2025.

The performance of the External Auditors has been evaluated with the aid of a formal assessment process with input provided by the senior management of the Company. Based on the performance assessment, the Committee has recommended to the Board that Ernst & Young be re-appointed as the Lead/Consolidation Auditor of the Group for the financial year ending 31 March 2026, subject to approval by the Shareholders at the Annual General Meeting.

M Jayesinghe
Chairperson of the Audit Committee

27 May 2025

3.2.2 Human Resources and Compensation Committee

Composition

- The Committee comprises majority of Independent Non-Executive Directors and is not comprised of Executive Directors.
- The Chairperson of the Committee must be an Independent Non-Executive Director.
- The Chairperson-CEO and Group Finance Director are invited to all Committee meetings unless the Chairperson-CEO or Executive Director remuneration is under discussion, respectively.
- The Deputy Chairperson/Group Finance Director is the Secretary of the Committee.

Scope

- Review and recommend overall remuneration philosophy, strategy, policies and practice and performance-based pay plans for the Group.
- Determine and agree with the Board a framework for the remuneration of the Chairperson-CEO and Executive Directors based on performance targets, benchmark principles, performance related pay schemes, industry trends and past remuneration.
- Succession planning and talent management of Key Management Personnel.
- Ensure the integrity of the Group's compensation and benefits programme is maintained.
- Commission compensation and benefit surveys as appropriate to assist the Committee in its deliberations.
- In performing these functions, to ensure that stakeholder interest are aligned and that the Group is able to attract, motivate and retain talent.
- At its discretion, the Committee may invite external specialists to provide advice and information on relevant remuneration and Human Resource development practices.
- Determining compensation of Non-Executive Directors is not under the scope of this Committee.

3.2.2.2 Human Resources and Compensation Committee Meeting attendance

No. of meetings – One

	Eligible to Attend	Attended	Date of Appointment
A. Cabraal	1	1	29/01/2015
S. Fernando*	N/A	N/A	01/07/2025
H. Wijayasuriya	1	0	05/11/2016
By invitation			
S. Coorey	1	1	-
N. Fonseka	1	1	-
M. Jayesinghe	1	1	-
R. Shukla	1	1	-

**Appointed with effect from 1 July 2024.*

3.2.2.1 Report of the Human Resources and Compensation Committee

The Human Resource and Compensation Committee forms a key part of the governance framework of the Group and carries the mandate to oversee the compensation and benefits policies adopted by the Group, and in doing so, review and recommend overall remuneration philosophy, strategy, policies and practices and performance-based pay plans. Furthermore, it reviews performance, compensation and benefits of the CEO, the other Executive Directors, and key executives who support and implement decisions at an apex level, the overall business strategy and make recommendations, thereon to the Board. The Committee also reviews and monitors the performance of the Group's top talent for the purposes of organisational growth and succession planning, with particular emphasis on succession at key executive levels.

In performing this role, the Committee is conscious of the need to ensure that stakeholder interests are aligned, and the Group is able to attract, motivate, retain talent and ensure their loyalty; the integrity of the Group's compensation and benefits programme is maintained and importantly, that the compensation policy and schemes are compliant with applicable laws and regulations.

In this context, the Committee determined the remuneration of the Executive Directors including the Chairperson-CEO in terms of the methodology set out by the Board, upon an evaluation of their performance by the Non-Executive Directors. The evaluation of the members of the Group Executive Committee was considered by the Committee and remuneration was determined based on performance, market comparators for similar positions and in accordance with the Company's Compensation and Benefits policy.

As per the mandate outlined, the report from the Chairperson of the Human Resources and Compensation Committee continues to be a standing agenda item at the quarterly Board meetings. The Chairperson of the Committee reports on the developments which have taken place since the last Board meeting, if any, and updates the Board on various matters, as relevant and requested.

The Committee wishes to report that the Company has complied with the Companies Act in relation to remuneration of Directors. The annual performance appraisal scheme and the calculation of short term incentives were executed in accordance with the approvals given by the Board, based on discussions conducted between the Committee and the Management. The employee share option scheme, including the award of ESOPs, was implemented in accordance with the Listing Rules of the Colombo Stock Exchange and in line with approval granted by the Board and shareholders.

S Fernando
Chairperson of the Human Resources and Compensation Committee

27 May 2025

3.2.3 Nominations and Governance Committee

Composition

- The Committee comprises of Non Executive Directors with at least 2 members being Independent, together with the Chairperson-CEO and does not comprise of Executive Directors.
- The Chairperson of the Committee must be an Independent Non-Executive Director.
- The Secretary to the Board is the Secretary of the Committee.

Scope

- Assess the skills required on the Board given the needs of the businesses.
- From time to time assess the extent to which the required skills are represented at the Board.
- Prepare a clear description of the role and capabilities required for a particular appointment.
- Identify and recommend suitable candidates for appointments to the Board.
- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clear expectations in terms of time commitment, involvement outside of the formal Board meetings and participation in Committees, amongst others.
- Ensure that every appointee undergoes an induction to the Group.
- The appointment of the Chairperson-CEO and Executive Directors is a collective decision of the Board.
- Succession planning of Board of Directors.

3.2.3.1 Report of the Nominations and Governance Committee

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), the Committee's mandate, functions, composition, and operative practices are clearly defined. The Charter was reviewed during the year to ensure alignment with applicable regulatory requirements, including the Listing Rules. Furthermore, the responsibilities of the Committee are shaped by Section 9.11.5 of the Listing Rules, as well as best practices on corporate governance voluntarily adopted by the Company. The Company Secretary serves as the Secretary to the Committee.

The Committee reaffirmed its mandate to:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or Applicable Law.

- Oversee the process of appointment, re-election and re-appointment of the listed subsidiaries of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non-Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Senior Independent Director and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering Applicable Laws, rules, regulatory requirements and industry/international best practices.
- Periodically, and ·in consultation with the Chairperson-CEO, review the CEO succession planning, in liaison with all Independent Non-Executive Directors of the Board, including the Senior Independent Director.

Activities During the Year

During the financial year ended 31 March 2025, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a broad range of factors—including experience, skills, age, gender, and other attributes—to foster a well-rounded mix of perspectives that enhance decision-making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning, and were conducted in an informed, equitable, and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.

The following Director appointments and contract renewals to the Boards of the Company and its listed subsidiaries were recommended in accordance with the nominations and re-election policy, following due diligence and a thorough review of each Director's qualifications, experience, compliance with fit and proper requirements, and, where applicable, independence criteria:

John Keells Holdings PLC

- Mr. H M A Jayesinghe, Independent Non-Executive Director (new appointment)
- Ms. R Shukla, Independent Non-Executive Director (new appointment)
- Mr. D A Cabraal, Non-Independent Non-Executive Director (renewal)*

**Mr. Cabraal abstained from the determination of the Committee in relation to the renewal of his contract.*

Asian Hotels and Properties PLC

- Mr. A S De Zoysa, Independent Non-Executive Director (renewal)
- Mr. J Durairatnam, Independent Non-Executive Director (renewal)
- Ms. A Nanayakkara, Independent Non-Executive Director (renewal)

Ceylon Cold Stores PLC

- Mr. S Kanag-Isvaran, Independent Non-Executive Director (new appointment)
- Ms. R N K Fernando, Independent Non-Executive Director (new appointment)
- Mr. H A J De Silva Wijeyeratne, Independent Non-Executive Director (new appointment)

John Keells PLC

- Mr. N W R Wijewantha, Non-Independent Non-Executive Director (new appointment)
- Mr. P D Samarasinghe, Independent Non-Executive Director (new appointment)

John Keells Hotels PLC

- Ms. A Goonetilleke, Independent Non-Executive Director (new appointment)

Tea Smallholder Factories PLC

- Mr. P P Edirisinghe, Independent Non-Executive Director (new appointment)
- Ms. S W F Jameel, Independent Non-Executive Director (new appointment)
- Mr. C S Hettiarachchi, Non-Independent Non-Executive Director (new appointment)

Trans Asia Hotels PLC

- Mr. C P R Perera, Independent Non-Executive Director (new appointment)
- Mr. H A J De Silva Wijeyeratne, Independent Non-Executive Director (renewal)
- Mr. N L Gooneratne, Non-Independent Non-Executive Director (renewal)

Union Assurance PLC

- Mr. S. Appleyard, Independent Non-Executive Director (renewal)

- Ensured that in accordance with Article 84 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 91, requiring Directors appointed during the year to retire at the first Annual General Meeting following their appointment.

During the year, the following Directors, retiring under Article 84 and Article 91, and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 29 June 2024:

- Dr. S S H Wijayasuriya, Independent Non-Executive Director (Article 84)
- Dr. S A Coorey, Independent Non-Executive Director (Article 84)
- Mr. D V R S Fernando, Independent Non-Executive Director (Article 91)

- Ensured that newly appointed Directors were provided with an induction to the Company and the Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson-CEO, Deputy Chairperson, Board Secretary, and senior management and through Board notes.
- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.
- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles, Corporate Governance Commentary and Annual Report of the Director sections of this Annual Report.

Board, Chairperson-CEO and Board Committee Evaluations

- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance and the performance of the Chairperson-CEO for the financial year 2023/24, the outcome of which were discussed between the Board and the Committee.

Reporting

The Committee reports its activities at each Board meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance Commentary section of the Annual Report.

Sharmini Coorey

Dr. S A Coorey
Chairperson of the Nominations and Governance Committee

27 May 2025

3.2.3.2 Nominations and Governance Committee Meeting attendance

No. of meetings – Six

	Eligible to Attend	Attended	Date of Appointment
A. Cabraal	6	6	07/11/2013
S. Coorey	6	6	08/11/2023
H. Wijayasuriya	6	6	05/11/2016
K. Balendra*	5	5	01/01/2019

** Resigned with effect from 1 October 2024.*

3.2.4 Related Party Transactions Review Committee

Composition

- The Chairperson shall be an Independent Non-Executive Director.
- Members of the Committee should be a combination of Non-Executive Directors and Independent Non-Executive Directors.
- The composition may include Executive Directors at the option of the Company.

Scope

- The Group has broadened the scope of the Committee to include senior decision makers in the list of Key Management Personnel, whose transactions with Group companies also get reviewed by the Committee, in addition to the requisitions of the CSE.
- All proposed Related Party Transactions shall be reviewed in advance and in the event of any material changes, such changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.
- Develop and recommend for adoption by the Board of Directors of JKH and its listed subsidiaries, a Related Party Transaction Policy which is consistent with the operating model and the delegated decision rights of the Group.
- Update the Board on Related Party Transactions of each of the listed companies of the Group on a quarterly basis and formally request the Board to approve the related party transactions following the determination of whether such approval is needed.
- Define and establish the threshold values for each of the subject listed companies in setting a benchmark for Related Party Transactions, Related Party Transactions which have to be pre-approved by the Board, Related Party Transactions which require to be reviewed annually, such as recurrent Related Party Transactions and similar issues relating to listed companies.
- Ensure that they have or have access to expertise to assess all aspects of proposed Related Party Transactions, and where necessary, obtain expert advice from an appropriately qualified person.
- Where a Director has personal material interest in a matter being reviewed by the Committee, such Director shall not be present in the Meeting and shall not vote in the matter, except at the request of the Committee.

3.2.4.1 Report of the Related Party Transactions Review Committee

Composition

The following Directors served as members of the Committee during the financial year:

A Cabraal
S Fernando
N Fonseka – retired with effect from 1 July 2024

The Chairperson-CEO, Deputy Chairperson/Group Finance Director, and Group Financial Controller attended meetings by invitation. The Head of Group Business Process Review served as the Secretary to the Committee. The Committee held four meetings during the financial year, which were held on a quarterly basis. Information on the attendance at these meetings by the members of the Committee is given alongside. Urgent transactions that required prior approval of the Committee were dealt with by circulation among the members.

Objective and Governing Policies

The objective of the Committee is to exercise oversight on behalf of the Board of John Keells Holdings PLC and its listed Subsidiaries, to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing Rules of the CSE. The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions are in line with the Groups' internal governance framework and associated policies.

Procedure

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the relevant entities and Key Management Personnel (KMP) with a view to ensuring that:

- there is compliance with 'The Code' and the Listing Rules of the CSE;
- shareholder interests are protected, and;
- fairness and transparency are maintained.

Non-recurrent Related Party Transactions (RPTs) of listed entities:

The Committee advocated the Management to implement appropriate procedures to ensure that all non-recurrent RPTs of the Group's listed entities are submitted to the Committee, for preapproval. Accordingly, the Committee reviewed and pre-approved all proposed non-recurrent Related Party Transactions (RPTs) of the parent, John Keells Holdings PLC for the full period under consideration, and all its listed Subsidiaries, namely: Asian Hotels and Properties PLC, Ceylon Cold Stores PLC, John Keells PLC, John Keells Hotels PLC, Keells Food Products PLC, Tea Smallholder Factories PLC, Trans Asia Hotels PLC and Union Assurance PLC until 30 September 2024.

Recurrent RPTs of listed entities:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the senior management of listed entities in the Group so as to validate compliance with section 9.5(a) of the Listing Rules and thus exclusion from the mandate for review and pre-approval of such transactions by the Committee.

Accordingly recurrent RPTs as well as the aforesaid disclosures and assurances were reviewed annually by the Committee.

Other significant transactions of non-listed subsidiaries:

Material transactions of non-listed Subsidiaries in the Group were presented to the Committee for information.

The Group continued to adopt a broader scope in defining Key Management Personnel including therein all senior decision makers. Accordingly, in addition to the Directors, all Presidents, Executive Vice Presidents, Chief Executive Officers, Chief Financial Officers and Financial Controllers of respective companies/sectors have been designated as KMPs in order to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

The activities and views of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.

M Jayesinghe
Chairperson of the Related Party Transactions Review Committee

27 May 2025

3.2.4.2. Related Party Transactions Review Committee Meeting attendance

No. of meetings – Four

	Eligible to Attend	Attended	Date of Appointment
A. Cabraal	4	4	29/01/2014
S. Fernando	4	4	08/11/2023
N. Fonseka*	2	2	29/01/2014
M. Jayesinghe**	2	2	01/07/2024
By invitation			
K. Balendra	4	4	-
G. Cooray	4	4	-

** Retired with effect from 1 July 2024.*
***Appointed with effect from 1 July 2024.*

Note: The Committee convened at least once every quarter.

3.2.5 Project Risk Assessment Committee

Composition

- Should comprise of a minimum of four Directors.
- Must include the Chairperson-CEO and Deputy Chairperson/ Group Finance Director.
- Must include two Non-Executive Directors.
- The Chairperson of the Committee must be a Non-Executive Director.

Scope

- Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated.
- Ensure stakeholder interests are aligned, as applicable, in making this investment decision.
- Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the Group Finance Director.
- Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation.
- The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

3.2.5.1 Report of the Project Risk Assessment Committee

No. of meetings – The committee did not convene during the year.

	Date of Appointment
A. Cabraal*	01/10/2024
H. Wijayasuriya	25/05/2018
K. Balendra	25/05/2018
G. Cooray	25/05/2018

**Appointed with effect from 1 October 2024.*

3.2.5.1 Report of the Project Risk Assessment Committee

H Wijayasuriya (Chairperson)

A Cabraal

K Balendra

G Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/ or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the context of Project Risk Assessment was centred primarily on the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the near operational status of both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.

While there were no specific new investments during the year which required the approval of the Committee as per the Board agreed financial thresholds, matters pertaining to the operationalisation of the BYD - New Energy Vehicle business were presented to the full Board and duly deliberated.

H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

26 May 2025

3.3 Combined Chairperson-CEO Role

The Group's Chairperson continued to play the role of the CEO, in addition to the role of Chairperson. The appropriateness of combining the two roles is discussed in detail in the ensuing section.

Purpose as Chairperson:

- To provide leadership to the Board whilst inculcating good governance and ensuring effectiveness of the Board.
- Ensure constructive working relations are maintained between the Executive and Non-Executive members of the Board.
- Ensure, with the assistance of the Board Secretary, that:
  - Board procedures are followed.
  - Information is disseminated in a timely manner to the Board.

Purpose as CEO:

- Execute strategies and policies of the Board.
- Ensure the efficient management of all businesses.
- Ensure the operating model of the Group is aligned with short and long term strategies of the Group.
- Ensure succession at the senior-most levels is planned.

3.3.1 Appropriateness of Combining the Roles of Chairperson and CEO

The appropriateness of combining the roles of the Chairperson and CEO was established after evaluation and debate, internally and externally. The appropriateness of continuing with the combined role is revisited and rigorously evaluated periodically - the Board continues to maintain its position that the combination of the two roles is more appropriate for the Group in meeting stakeholder objectives in a large, diversified conglomerate setting. This view takes into consideration not only the diversity of the industries the Group engages in but also the macroeconomic conditions which requires the leadership to be nimble and agile. These discussions are supported by international best practice accessed through consultancy services and experts.

- Over the past five to ten years, some companies in certain geographies have moved toward separating the Chairperson and CEO roles, as it is believed, in theory, that an Independent Chairperson improves the ability of the Board of Directors to oversee management.
- However, more recently, empirical research has suggested that combining the roles is likely to yield better performance of the company, and that the independence status of the Chairperson is not a material indicator of firm performance or governance quality [Liu, R (2019), Mubeen, R. et al. (2021)].
- The intended objective of achieving improved governance and higher independence can be better achieved via a focus on certain complementary actions, which have proven to be an effective assurance mechanism to the role of a combined Chairperson-CEO. If the same objective can be achieved under the guidance of a combined Chairperson-CEO, the introduction of a segregated role should not compromise the underlying operating model of a corporate, including that of JKH – particularly if there is no proven effectiveness in segregation. Such checks and balances entail:

  (i) Establishing a strong independent governance element via assurance mechanisms, such as:
  - Presence of a Senior Independent Director who will act as the independent party to whom concerns could be voiced on a confidential basis and ensure that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors.
  - A Nominations and Governance Committee that ensures the nomination of Non-Executives who are truly independent.
  - The presence of a Board which comprises of a majority Independent Directors.
  - Presence of an Ombudsperson.

  (ii) Use of systematic, comprehensive Board and CEO/Chair evaluations.

  (iii) Ensuring active involvement of the Board in CEO succession and strategy formulation.

In terms of Section 9.6.2, the Chairperson of the Company is an Executive Director, and the Chairperson and CEO positions of the Company are held by the same individual. Since the Company already has in place the role of a Senior Independent Director, the Company is compliant under the alternative option under Section 9.6.1 and Section 9.6.3 of the CSE Listing Rules.

The role of a Senior Independent Director has been in place for over a decade at JKH. It is the view of the Board, and the Group's experience has proven that the JKH Board composition of a majority of Non-Executive Independent Directors, coupled with the role of the Senior Independent Director, and other supporting Board dynamics have enabled the Chairperson-CEO to effectively balance the dual role as the Chairperson of the Board and the CEO of the Company, particularly given the diversified conglomerate structure of the Group.

Given the need for a combined Chairperson-CEO role, the Chairperson does not come up for re-election as in the case with other Executive and Non-Executive Directors. It is noted that the Articles of Association of the Company allow for this.

3.3.2 Chairperson-CEO Appraisal

The Human Resources and Compensation Committee, appraised the performance of the Chairperson-CEO on the basis of pre-agreed goals for the Group, set in consultation with the Board. These goals cover the ensuing broad aspects and is also based on the Group's performance assessed against the goal and peers which involve other listed companies on the CSE:

- Creating and adding shareholder value
- Success in identifying and implementing projects
- Sustaining a first-class image
- Developing human capital
- Promoting collaboration and team spirit
- Building sustainable external relations
- Leveraging Board members and other stakeholders
- Ensuring good governance and integrity in the Group

3.3.3 Direct Discussions with the Non-Executive Directors

The Chairperson-CEO conducts direct discussions with Non-Executive Directors at meetings held exclusively for Non-Executive Directors, which are convened by the Senior Independent Director. Issues arising from these discussions are actioned in consultation with the relevant persons.

During the year under review, the Non-Executive Directors met twice without the presence of the Executive Directors.

3.4 Senior Independent Director (SID)

Considering the combined role of the Chairperson-CEO, the presence of the Senior Independent Director is important in ensuring that no one person has unfettered decision-making powers, and that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis. The Senior Independent Director is made available to discuss shareholder concerns including those of minority shareholders.

The Senior Independent Director meets with other Non-Executive Directors, without the presence of the Chairperson-CEO, at least twice every year to evaluate the effectiveness of the Chairperson-CEO and has regular meetings with the other Non-Executive Directors on matters relating to the effectiveness of the Board or the Board as appropriate. The Senior Independent Director acts as a trusted point of contact for the Non-Executive Directors, particularly when concerns arise regarding strategy, governance, or the Chairperson-CEO's dual role. The Senior Independent Director is also kept informed by the Ombudsperson of any matters in respect of the JKH Code of Conduct which has come to his attention.

In the event of any conflicts of interest on the part of the SID in relation to any particular aspect of his/her role, another Independent Director will be required to perform that aspect of the SID's role. The SID will remain in office unless otherwise determined by the Board or in the event the SID ceases to be an Independent Non-Executive Director of the Company.

Report of the Senior Independent Director

A Cabraal
S Coorey
S Fernando
N Fonseka - retired with effect from 1 July 2024
M Jayesinghe - appointed with effect from 1 July 2024
R Shukla - appointed with effect from 1 July 2024

The independence of each Director has been established based on the information and declarations submitted by the respective Directors.

During the course of the period under review, the Independent/Non-Executive Directors held three meetings, excluding the participation of Executive Directors.

Discourse among Independent/Non-Executive Directors have consistently focused on the evolving corporate governance landscape, globally and locally. The Independent/Non-Executive Directors are confident that the risk and compliance as well as broader assurance and Corporate Governance frameworks of the Group have kept well abreast of the said dynamics leading to continued synonymity of the Group with best practice in Corporate Governance.

The Independent/Non-Executive Directors have also spent time on topics salient to the directional strategy of the Group including but not limited to, opportunities arising from the rebound of the national economy, portfolio evolution, sectoral dynamics, capital deployment priorities and short and long term levers for value creation. The Independent/Non-Executive Directors have also paid regular attention to succession planning at Board and Senior Management Level and the performance and delivery of key executive leaders. Remuneration of Executive Directors was determined at one such meeting of the Independent/Non-Executive Directors.

Closed door meetings of the Independent/Non-Executive Directors are followed by a discussion with the Chairperson-CEO, who the Independent/Non-Executive Directors have found to consistently address matters raised, either in the form of immediate clarification or subsequent follow-up action which in turn, have been reported to the Board.

It is also salient to note that the minutes of meetings of the Group Executive Committee (GEC) are circulated to the Independent/Non-Executive Directors to ensure a high degree of transparency and interaction between the Executive and Non-Executive members of the Board. The Independent/Non-Executive Directors are also kept advised on the progress of key investments and strategic initiatives.

The Ombudsperson has reported to me that no issues have been brought to his attention that indicate mismanagement, unfair treatment or justified discontent on the part of any employee or ex-employee during the financial year.

The Independent/Non-Executive Directors thank the Chairperson-CEO, Deputy Chairperson/Group Finance Director, members of the Group Executive Committee, Sector Heads and members of the management team for their transparent and cooperative engagement with the Independent/Non-Executive Directors, at all times.

H Wijayasuriya
Senior Independent Director

27 May 2025

3.5 Group Executive Committee and Other Management Committees

The Group Executive Committee and the other Management Committees met regularly as per a timetable communicated to the participants six months in advance. In the absence of a compelling reason, attendance at these Committee meetings is mandatory for the Committee members. All the Committees carried out specific tasks entrusted to each component, as expected.

Whilst the Chairperson-CEO, Deputy Chairperson/Group Finance Director and Presidents are ultimately accountable for the Company/Group and the industry groups/sectors/business functions respectively, all decisions are taken on a committee structure as described below.

3.5.1 Group Executive Committee (GEC)

As at 27 May 2025, the eight-member GEC consisted of the Chairperson-CEO, the Deputy Chairperson/Group Finance Director and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson-CEO, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as the enablers of the Operating Model of the Group. The members of the GEC are well equipped to execute these tasks and bring in a wealth of experience and diversity to the Group in terms of their expertise and exposure.

Refer Board and Management Profiles for details on members - page 227.

The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the Group.

3.5.2 Group Operating Committee (GOC)

As at 27 May 2025, the twenty-member GOC consisted of the Chairperson-CEO, the Deputy Chairperson/Group Finance Director, the Presidents and the Executive Vice Presidents in charge of sectors and the finance functions of the industry groups and Executive Vice Presidents who are functional heads of their respective Centre Functions. The GOC provided a forum to share learnings, and identify synergies, across industry groups, sectors, business units and functions.

The GOC meets once a month during the year and is instrumental in preserving a common group identity across diverse business units.

Refer Board and Management Profiles for details on members - page 228.

3.5.3 Other Management Committees

These include the Group Management Committee, Sector Committee and Management Committee which are responsible at the industry group level, sector level and business unit level respectively. The underlying intention of forming these Committees is to encourage the respective business units to take responsibility and accountability at the grass-root level via suitably structured Committees and teams by objective setting.

The agendas of these Committees are carefully structured to avoid duplication of effort and to ensure that discussions and debate are complementary, both in terms of a bottom-up and top-down flow of information and accountability. These Committees met regularly and carried out their tasks in keeping with their scope. The Management Committees proved to be key in enhancing employee engagement and empowerment.

Illustrated below is the structure of the three Committees.

Industry Group	Group Management	President
Sector	Sector Committee	Executive VP
Business unit/ Function	Management Committee	Senior VP/ VP/ Senior Assistant VP/ Assistant VP/Senior Manager/Manager

- Strategy formulation
- Performance monitoring
- Career management and succession planning
- Risk management
- Implementation of Group Initiatives

Note: Vice President (VP)

3.6 Employee Empowerment

The Group ensures that the necessary policies, processes and systems are in place to ensure effective recruitment, development and retention of the Group's employees - a vital stakeholder and key asset of the Group. The bedrock of these policies is the Group's competency framework, which has been further refined and updated to reflect the current needs of the Group. To support these policies, the Group continued with, and further strengthened, the following practices.

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights were defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- A bottom-up approach was taken in the preparation of annual and long term plans and the Group also ensured employee involvement in strategy, and thereby empowerment.
- Organisational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank and constructive communication is encouraged at all levels. The Group strongly believes that constructive disagreement is essential for optimal decision-making.

The Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity, sexual orientation or any other difference, and promotes workplaces which are free from physical, verbal or sexual harassment.

4 INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the main governance systems and procedures of the Group. These systems and procedures strengthen the elements of the JKH Internal Governance Structure and are benchmarked against industry best practice.

i. Strategy formulation and decision-making process
ii. Human resource governance
iii. Integrated risk management
iv. IT governance
v. Tax governance
vi. Stakeholder management and effective communications
vii. Sustainability governance

4.1 Strategy Formulation and Decision-Making Processes

4.1.1 Strategy Mapping

Strategy mapping exercises, concentrating on the short, medium and long term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- Progress and deviation report of the strategies formed.
- Competitor analysis and competitive positioning.
- Review of ESG considerations.
- Analysis of key risks and opportunities.
- Digitisation and IT strategy.
- Management of stakeholders, such as, suppliers and customers.
- Value enhancement through initiatives centred on the various forms of Capital under an integrated reporting framework.

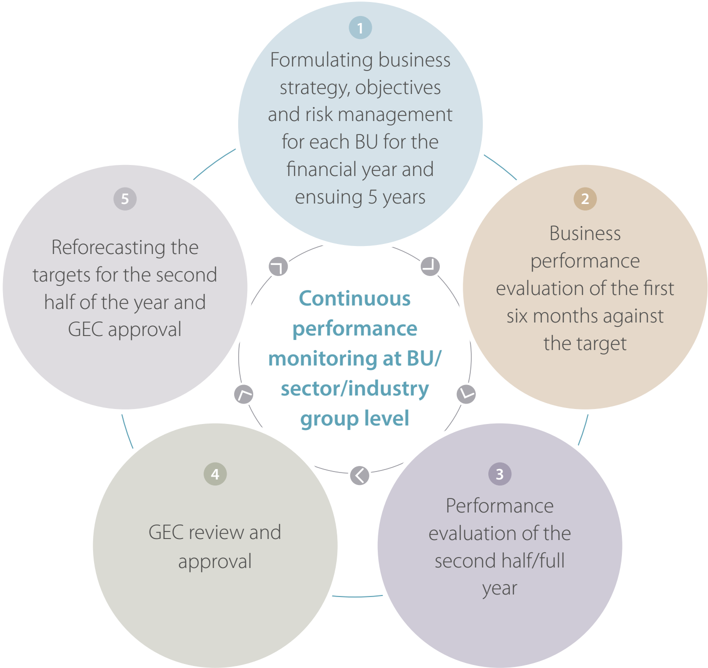
The strategies of the various business units, operating in diverse industries and markets, revolves around Group strategy, while considering their domain specific factors. The primary focus is to enhance value for all stakeholders.

The Group's investment appraisal methodology and decision-making process ensures the involvement of all key stakeholders that are relevant to the evaluation of the decision.

In this manner:

- A broad range of views, opinions and advice are obtained prior to making an investment decision.
- A holistic view is taken on the commercial viability and potential of any project, including operational, financial, funding, legal, risk, sustainability and tax implications.
- Sensitivity and scenario analysis are conducted to understand the impacts from the macroeconomic environment, especially during periods of volatility and uncertainty.
- All investment decisions are consensual in nature, made through the afore-discussed management Committee structure where no single individual has unfettered decision making powers over investment decisions.
- The ultimate responsibility and accountability of the investment decision rests with the Chairperson-CEO.

The following section further elaborates on the Group's strategy formulation and planning process.



4.1.2 Medium-term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing the business's strategy for the medium-term.

Values and Promises

- Identification of the core values the business will operate with and the internal promises that the business will strive to deliver to stakeholder interests

Brand and Business Review

- Review of global and regional trends
- Identification of insights, risks, challenges, opportunities and implications, collated into key themes

Brand Plan

- Identifying key activities required to be undertaken under each theme and the articulation of the varied brand-led themes and activities
- Identification of Key Performance Indicators (KPIs) to measure delivery of promises

Long term Business Plan

- Setting of a long term goal and agreeing on the core pillars that would deliver growth
- Target setting, scheduling activities and identifying workstreams to execute long term initiatives
- Identifying operating and capital expenditure along with capability resources

Annual Business Plans

- Articulation and approval of detailed project plans for execution of workstreams
- Approval of Annual Business Plans

Performance Measurement

Measure of performance against:

- Promises
- Annual plans and projects
- Long term initiatives
- Financial objectives

4.1.3 Project Approval Process

Projects undertaken at the Group entail a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations, among others.

Based on the decision rights matrix, subsequent to review by the relevant leadership committee of the feasibility report and post in principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for both private and state land. In case of state land, every action would be taken to ensure compliance with the relevant rules and regulations. As appropriate, written authority and approvals will be obtained.
- Any project which involves bidding on contracts and tenders, including to those of local and foreign Government and related bodies, is executed in conformance with the Group's Policy on Bidding on Contracts and Tenders. In such an event, the Company will make the required corporate disclosures.
- Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in early stages during the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.

The aforementioned project appraisal framework flow is illustrated below:

Risk management

Project origination › **Feasibility study** › **Review by the GEC** › **Due diligence** › **GEC/Board Sub-Committee/ Board approval**

Sustainability management

Legal, tax, regulatory and HR requirements/framework

"The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding."

4.2 Human Resource Governance

The Group human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels of the Group.

The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

4.2.1 Performance Management

The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/recognition and compensation/ benefits.

Identification of:

- Performance rating
- Competency ratings

Identification of:

- Long term development plans
- Competency-based training needs
- Business focused training needs

Identification of:

- Chairperson's Award
- Employee of the Year
- Champion of the Year

Identification of:

- Promotions
- Inter-company transfers
- Inter-department transfers

Identification of:

- High performers
- High potential

Identification of:

- Jobs at risk
- Suitable successors
- Readiness level of successors
- Development plans
- External recruitments

Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

JKH Success Drivers

In 2023/24, the Group revamped its Competency Framework, which had been in use for over a decade through discussions and workshops, involving a diverse group of internal and external stakeholders at various levels. This effort resulted in the creation of Success Drivers, a refreshed and more relevant set of competencies.

In 2024/25, the Group introduced sector-specific awareness sessions and digital learning initiatives for employees to enhance understanding and encourage the adoption of these Success Drivers within teams. The awareness sessions focused on helping employees develop skills that support both organisational success and personal career growth. The sessions were complemented by targeted communications and training through the Bridge, learning management system, offering access to online courses, articles, and videos to promote continuous professional development. Furthermore, Success Drivers are a key part of the performance management process in 2024/25 and employees are evaluated based on these competencies, with opportunities for development identified as part of the process.

1. Inclusive Leadership

- Inclusivity and diversity
- Collaboration and open communication
- Compassion and empathy
- Coaching and mentoring
- Upholding values

4. Relentless Execution

- Action orientation
- Prioritisation
- Effective time management focus and commitment

7. Entrepreneurial Mindset

- Innovative thinking
- Decisiveness and ownership
- Unwavering commitment
- Prudent risk-taking

2. Connecting the Dots

- Big picture perspective
- Multidisciplinary approach
- Critical thinking
- Value driven approach

5. Emotional Resilience

- Self-control and self regulation
- Adapting to change
- Bouncing back from adversities
- Positive outlook and growth mindset

8. 360 Stakeholder Commitment

- Passion for all stakeholders
- Building synergies
- Trust and credibility
- Commitment to financial outcomes and ESG

3. Being Agile

- Adapting to change
- Thriving in uncertainty
- Bouncing back from adversities
- Rapid experimentation approach
- Solution-oriented growth mindset

6. Storytelling

- Impactful communication
- Inspiring people
- Creative ways of engagement
- Active listening

9. Corporate Citizenship

- Commitment to ESG
- Ethical practices
- Focus on sustainability

4.2.2 Performance Based Compensation Philosophy

The JKH Group Compensation Policy is as follows:

Performance Management

'Pay for performance'

Greater prominence is given to the incentive component of the total target compensation.

Satisfaction

'More than just a workplace'

Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- Compensation comprises of fixed (base) payments, short term incentives, and long term incentives.
- Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- Long term incentives are in the form of Employee Share Options and cash payments.

Internal Equity

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

External Equity

- Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under/ over compensated.

4.2.2.1 Equity Sharing

Employee Share Option Plans are offered at defined career levels based on pre-determined criteria which are uniformly applied across the eligible levels and performance levels. These long term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and is seen to be a key driver of performance-driven rewards. Share options are awarded to individuals on the basis of their immediate performance and potential importance of their contribution to the Group's future plans.

The Company issues share options not exceeding a specified percentage of the total issued shares of the Company as at the date of awarding every such option, which is subject to in-principle approval of the CSE and shareholder approval, by way of a Special Resolution at a General Meeting.

4.3 Integrated Risk Management

JKH's Group-wide risk management programme focuses on wider sustainability development, to identify, evaluate and manage significant Group risks and to stress test various risk scenarios, including a review of materiality. The programme ensures that a multitude of risks, arising as a result of the Group's diverse operations, are effectively managed in creating and preserving stakeholder wealth. The Group manages its enterprise risk, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic and virtual risk registers which are linked to business goals and responsible personnel. Features such as the provision of timely alerts on action plans and escalation processes for risks, where action plans are over-due, ensure maintenance of live risk grids.

Continuous steps taken towards promoting the Group's integrated risk management process are:

- Integrating and aligning activities and processes related to planning, policies/ procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- Supporting executives/managers in moving the organisation forward in a cohesive integrated and aligned manner to improve performance, while operating effectively, efficiently, ethically and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, Key Management Personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all Group risks.
- Update of the Enterprise risk management platform to improve performance and include the latest features.

The Board, GEC and Group Management Committees, oversee risk management across the Group to ensure that risks are brought within tolerance, managed and/or mitigated.

4.3.1 Risk Management Process

The Group's Enterprise Risk Management (ERM) process is designed to ensure businesses are proactively identifying, assessing, and mitigating risk events. The risk management framework ensures consistency in methodology across diverse businesses and functions and follows both a top-down and bottom-up integrated approach, alongside strategic planning and decision-making. The annual cycle involves business-level risk identification and review on a quarterly basis, which is consolidated upwards at sector and industry group management committees, while Group risks are reviewed on a biannual basis by the Group Executive Committee. Risk appetite thresholds are set at a Group level and captured in the annual Group Risk Report, which also details Group-wide risk ratings, risk profile and analysis and is presented to the JKH Audit Committee where the salient aspects of this is reviewed by the Board, thereby concluding the annual risk management process. Policy level changes emerging from the discussion at the JKH Audit Committee are then incorporated in the following cycle to ensure alignment with the changing risk environment.

The risk management process and information flow is portrayed below:

Risk Management System

The Group ERM review process is facilitated through an online Enterprise Risk Management System. The system is firmly embedded across the Group, hosted internally, and controlled access is provided to all employees as relevant. The system was upgraded during the financial year to include additional features, increase user friendliness and improve overall performance.

Quarterly risk reviews are carried out via the system, with all business unit risk registers hosted online. Its functionality allows for a dynamic risk management environment, enabling analysis of ratings and movement of risks over time, access to historical data and risk reporting. The system also aggregates and records risk under the Group's ERM framework and provides an integrated approach to risk and risk mitigation across Group businesses.

Steps were taken to assist identification and categorisation of sustainability and climate related risks in the risk platform.

4.3.2 Key Impacts, Risks and Opportunities

The Group takes a holistic approach to risk management, covering risks that are both financial and non-financial in nature, including its own operations as well as risks that may emanate from its supply chain partners. The Precautionary Principle influences the Group's approach to risk management of environmental impacts while, management of human and social capital risks is also highlighted and prioritised.

The ERM framework operates in concurrence with the Group's corporate governance structure and is linked to sustainability, corporate social responsibility and internal audit functions and processes, ensuring that regulatory compliance, ethical guidelines and sustainability concerns are integrated seamlessly across businesses when identifying risks and opportunities.

Risk Management Framework

- Financial, strategic, operational, information technology, governance and sustainability-related risks are considered.
- All risks are categorised within a common Risk Universe.
- Headline and Related Risk classification of all Group risks to allow consistency across Group businesses.
- 5x5 risk matrix for rating of risks with respect to likelihood and anticipated impact.

Refer the Key Risks section under Outlook and Risks and Notes to the Financial Statements for further details.

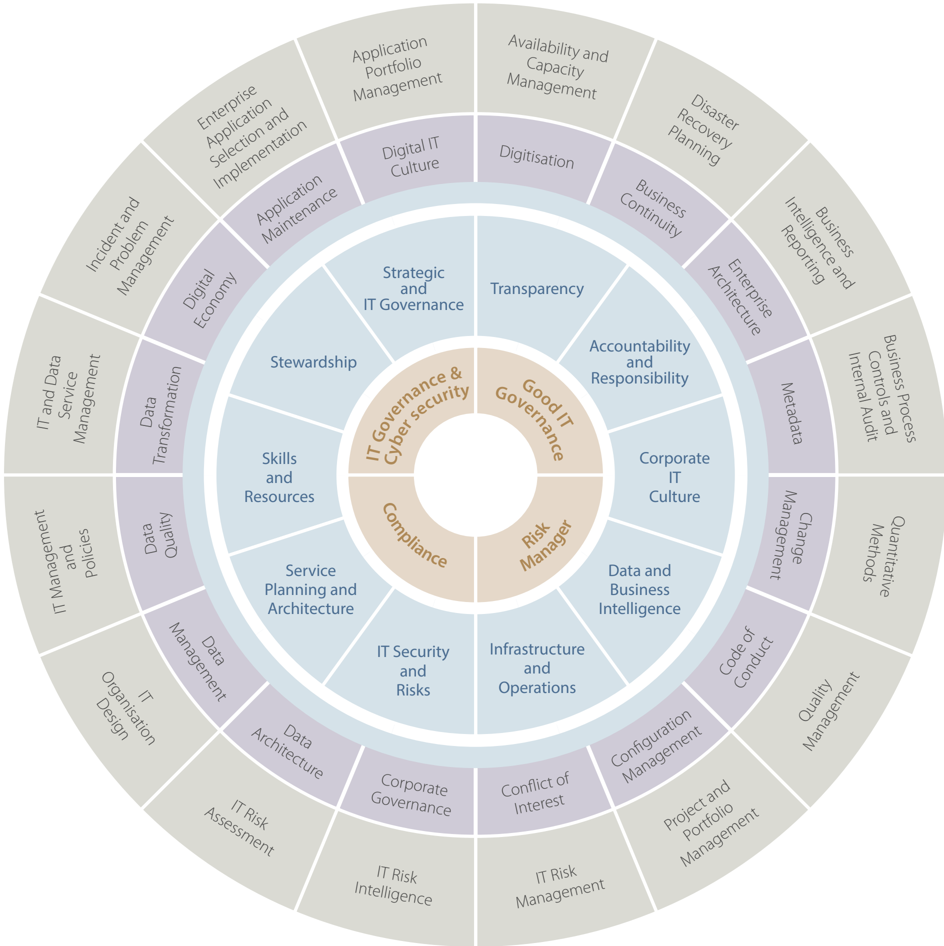
4.4 Information Technology (IT) Governance

IT governance stewardship roles are governed through layered and nested committees, cascading from the Board, GEC, GOC, the Group IT Steering Committee and to the Group IT Operations Committee with well-defined roles and responsibilities across the Group with a federated governance structure to cater to the holistic Group-level as well as specific industry level nuances. This ensures empowerment and enablement to act with a singular and more robust governance and policy framework across the Group, whilst being agile and nimble.

The Group's IT governance framework focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management, and resource management.

Additionally, the IT governance framework used within the Group leverages on best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO (Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the Group. The key focus areas of the governance framework are noted alongside.

The Group continually focuses on enhancing the IT governance framework in line with its business and IT strategies with a focused shift towards a zero-trust model built on a mobile-first, internet-first, cloud-first and artificial intelligence (AI)-first strategy.



Key Initiatives during the year:

- During the year, the Group undertook a financial transformation to align processes with strategic goals and enhance performance. This involved a comprehensive look of the business's financial processes, understanding existing challenges, controls, areas of manual work, identifying areas to leverage technology such Robotic Process Automation (RPA), Advance Analytics and challenges to transform the finance function to be a more strategic contributor to the businesses. With the initial review over 200 changes and areas of improvement were identified and are being reviewed for implementation. The transformation efforts have been focused on establishing scalable finance processes, leveraging data-driven insights, and fostering a culture of continuous improvement, enhanced financial reporting accuracy, improved decision-making capabilities and security across all financial systems.

- As a part of the transformation journey, JKH embraced the advancement of technology within the Group's core systems and will be migrated to S/4HANA which is the latest SAP database built on a single data structure and architecture and emphasises the simplifications and innovation in processes. The integration of S/4HANA simplifies complex processes, reduces redundancies, and enables faster transaction times. With a unified data structure, decision-makers can access real-time insights, facilitating quicker and more informed decisions. Cloud-based scalability reduces costs and improves flexibility while the AI-driven analytics enhance insights and predictive analytics supports proactive planning. The decision to migrate has been integral in improving customer experience, fostering innovation, strengthening security and compliance, and optimising resources, ensuring long term success.

4.5 Tax Governance

The Group's tax governance framework is designed to ensure responsible tax practices and is aligned with the Group's broader ESG commitments focusing on compliance, transparency and stakeholder engagement. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

Key components of the framework are:

- Keeping abreast with local and international tax laws and regulations to avoid non-compliance and reputational damage.
- Transparency in tax disclosures to stakeholders, ensuring clarity on tax strategies and practices.
- Accountability to stakeholders, ensuring that tax obligations are met in a socially responsible manner, balancing shareholder interests with societal responsibilities.

Governance Structure

- The Group's Tax Governance Structure is overseen by the Deputy Chairperson/Group Finance Director who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
- Voluntary compliance and efficient tax management are key aspects of the Group's overall tax strategy.
- This is enabled through a decentralised tax structure where expertise is built at each industry group level to executing the tax strategy, ensuring compliance with existing laws and changes to legislation, and managing tax risks for the Group.
- The Head of Tax of each industry group, reporting functionally to the Group Head of Tax, ensures uniformity of interpretation, robust compliance management and rollout of Group tax strategy across all businesses.

Policy and Strategy

- Ensures the following, taking into account the Group's business models, supply and value chains, structure, assets, investments and financing:
  - Integrity of all reported tax disclosures.
  - Robust controls and processes to manage tax risk.
  - Openness, honesty, and transparency in all dealings.
  - Presence of legitimate business transactions underpinning any tax planning or structuring decision/opportunity.
- Contribute to fiscal policy formulations constructively in the interest of all stakeholders.

Role

- Implement and maintain strong tax compliance and review processes for current and potential business operations and transactions.
- Analyse and disseminate business impact from changes in tax legislation.
- Provide clear, timely, and relevant business focused advice across all aspects of tax.
- Ensure availability of strong and well documented technical support for all tax positions.
- Obtain independent/external opinions where the law is unclear or subject to interpretation.
- Foster healthy professional relationships with all regulatory authorities.

Review and Monitoring

- Leverage on digital platforms to support, record and report on tax compliance status across the Group.
- Continuous dialog and scheduled meetings of the Group Tax team to ensure uniformity of tax interpretation and application.
- Monitored through internal controls including compliance reporting measures and, external audit reviews.
- Discussion and signoff by the Board of Directors on any significant tax positions with supporting legal rationale.
- Quarterly updates and submissions, as applicable, to the Board of Directors on Group Tax positions.

The Group's Tax Governance Framework integrates compliance, transparency, and social responsibility, aligned with ESG reporting obligations. By adhering to this framework, the Group ensures that its tax practices are both legally compliant and ethically responsible, supporting sustainable growth while creating value for all stakeholders.

4.6 Stakeholder Engagement, Management and Effective Communication

Stakeholders play a crucial role in the Group, contributing labour, capital, and market demand. The Group is committed to transparently communicating its ambitions to its diverse stakeholder groups and actively seeks their input to refine its initiatives. With well-defined objectives aligned with its sustainability and business goals and targets, the Group prioritises the achievement of these commitments across the short, medium, and long term.

Engagement of significant stakeholders

Identify Stakeholders → Mapping and Prioritising Stakeholders → Stakeholder Engagement → Feedback

Recognising the broad impact of its operations, the Group actively engages with a wide range of stakeholders across different industries, communities, and regions.

Internally, the Group's stakeholders consist of its business units and employees. Externally, it engages with shareholders, investors, lenders, customers, suppliers, business partners, Government bodies, regulators, industry peers, advocacy groups, media, and the wider community. Through ongoing dialogue and collaboration, the Group strives to integrate diverse perspectives into its sustainability efforts.

Following are the key stakeholder management methodologies adopted by the Group. Whilst the Group has multiple channels enabling effective communication, there were no material concerns that were raised during the year by stakeholders regarding the operations of the Group.

The table shown below indicates the key stakeholders of JKH, and the in-depth engagement and management methodologies adopted and carried out by the Group. This helps in enabling effective communication between both parties.

Stakeholder Expectations	Management	Methods of Engagement
Customers		
Products and services being up to their required standards, in terms of high quality and safety. Products and services are provided in an environmentally and socially responsible manner.	• Constant engagement with customers. • Providing products that meet their requirements.	• Road shows, trade fairs and field visits **(A)** • One-on-one meetings, discussion forums, progress reviews **(B)** • Customer satisfaction survey **(Q)** • Information dissemination through printed reports, telephone, SMS, e-mail, corporate website, workshops and business development activities **(O)**
Employees		
Provide a safe and enabling environment. Ensure equal opportunity within a meritocratic culture. Enhancement of skills and knowledge, continuous engagement. Work-life balance.	• Accessibility to all levels of the management. • Involvement though means such as staff volunteerism, John Keells employee service and HIVE portal.	• Performance reviews and skip level meetings **(B)** • Employee satisfaction surveys and group- wide year end get-together **(A)** • Intranet communications **(Q)** • Training and development, team building, joint consultative committees, open door policy, sports events, Corporate Social Responsibility programmes **(O)**
Community		
Stimulate local economy through procurement and employment. Operate with minimal impact on shared natural resources.	• Provide updates on business activities that may impact the community. • Support local businesses through partnerships and sourcing from local suppliers. • Provide direct and indirect employment.	• Community engagement prior to entry and on exit via one-on-one meetings, workshops, forums **(On)** • Regular engagement while operating via one-on one meetings, workshops, forums **(M)** • Corporate Social Responsibility programmes **(O)**
Shareholder Investors		
Consistent economic performance. Economic growth.	• Maintain transparency in reporting and corporate governance. • Stay updated on policy changes and proactively adapt business strategies.	• Annual reports, disclosures and reviews **(A)** • Quarterly reports **(Q)** • Investor webinars and road shows **(R)** • Phone calls, e-mail, written communication, websites, one-on-one meetings **(O)**
Government		
Contribute to economy through strategic investments. Create direct and indirect employment. Timely payment of taxes and levies.	• Transactions in compliance with all relevant laws and regulations, transparently and ethically. • Zero- tolerance policy in ensuring that all business units meet their statuary obligations in time and in full.	• Participation of senior management in chambers and industry associations **(Q)** • Meetings, business forums, newsletters, circulars, presentations and briefings, advisory meetings of industry associates **(O)**
Legal and Regulatory Bodies		
Compliance with laws and regulations. Practice sound corporate governance.	• Regularly review policies and procedures to align with legal changes. • Conduct regular legal audits and risk assessments.	• Participation of senior management in chambers and industry associations **(Q)** • Meetings, periodic disclosures, correspondence **(O)**

(A)-Annually, (B)- Biannually, (Q)- Quarterly, (O)- Ongoing, (On)- One- off, (M)- Monthly, (R)- Regular

Stakeholder Expectations	Management	Methods of Engagement
Business Partners		
Long term business relation and adherence to contractual obligations Knowledge sharing Representation in business councils and committees	• Set clear service-level agreements (SLAs) and key performance indicators (KPIs). • Implement a Supplier Code of Conduct to enforce ethical business practices.	• Distributor conferences, contract renegotiations and reviews, road shows, supplier assessments, supplier fora **(A)** • Supplier review meetings **(B)** • Market reports **(R)** • Conference calls, e-mails, circulars, corporate website and sourcing, contracting and supplier management platform **(O)**
Society, Media, Pressure Groups		
Operate in accordance with social norms, cultures with minimal negative social and environmental impact Adhere to laws and regulations Operate as a responsible corporate citizen	• Invest in social causes that align with business values and stakeholder expectations. • Demonstrate commitment to ethical and sustainable business practices.	• Website, press releases, media briefings, correspondence **(O)**
Industry Peers and Competition		
Ethical business practices Participation in business councils and committees	• Foster healthy competition and ethical practices • Stay agile and adapt to market changes	• Participation of senior management in chambers and industry associations **(Q)** • Membership of trade associations, conferences, discussion forums **(R)**

(A)-Annually, (B)- Biannually, (Q)- Quarterly, (O)- Ongoing, (On)- One- off, (M)- Monthly, (R)- Regular

4.6.1 Communication with Shareholders

The Group maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, investor presentations, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a needs basis, the investor feedback form provided in the Annual Report, and through the Company Secretaries.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
Investor Relations Webinar	Quarterly
Investor presentations	As required, quarterly at a minimum
Transcript of the Investor Relations Webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One-on-one discussions	As required
Investors Relation's section in the Corporate website	Continuous
Feedback surveys	As required

Policy on Corporate Disclosures and Relations with Shareholders and Investors

This policy ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant stakeholders in a timely, accurate, complete, understandable, convenient and affordable manner, in compliance with the Group's governing framework and listing regulations of the CSE. The policy covers matters related to shareholders and investors of the Group such as disclosures of material information, financial information, Annual Reports, press releases and website management.

Corporate disclosures and relations with shareholders and investors are mainly centrally managed at John Keells Holdings PLC, on behalf of the Group companies.

This Policy is governed by the Company's Board of Directors and is periodically reviewed by the Board to ensure alignment with evolving regulatory changes, best practice and the strategic interests of the Group and its stakeholders.

A mechanism is in place to ensure that Directors are apprised of major issues and concerns of shareholders.

4.6.1.1 Investor Relations

The Investor Relations team of the Group is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, analysts and other interested parties in ensuring effective investor communication.

- The Investor Relations team led by the Executive Directors, has regular discussions with shareholders, as and when applicable, as well as analysts and stockbroking firms to disseminate highlights of the Group's performance as well as to obtain constructive feedback.
- The online quarterly investor forums provide stakeholders the opportunity to directly engage with the Group's Chairperson-CEO and the Deputy Chairperson/Group Finance Director. The recording and the transcript of the investor forum is made available on the corporate website for reference of all stakeholders/shareholders.
- Quarterly investor resentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in-depth detail of the operational performance of the Group.
- Annual investor presentations, detailing an overview of the Group and industry groups with financial and non-financial performance indicators, are made available on the corporate website, to provide easier access and in-depth detail of the overall Group.
- Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Group by contacting the Investor Relations team, Secretaries, the Chairperson-CEO or Senior Independent Director.
- Whilst the Group will assist shareholders and investors to the extent permissible, in line with applicable regulations and internal policies, individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

Awards

Silver award for 'Best Investor Relations' at the Capital Market Awards 2024 of CFA Society Sri Lanka.

4.6.1.2 Release of Information to the Public and the CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. Accordingly, JKH has reported a true and fair view of its financial position and performance for the year ended 31 March 2025 and at the end of each quarter of the financial year 2024/25.

All other material and price sensitive information about the Company is promptly communicated to the CSE and such information is also released to employees, the press and shareholders. Shareholders and investors may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of JKH. Such questions, requests and comments should be addressed to the Company Secretary.

The Group focuses on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. The Group ensures that information is communicated accurately and in a manner that will avoid the creation or continuation of a false market.

4.6.1.3 Annual General Meeting

Year of the AGM	Number of attendees/ proxy holders	Shareholding (No. of shares)	% of total shareholding
2023/24	61	863,993,288	58%
2022/23	74	847,476,032	61%
2021/22	82	820,115,386	59%
2020/21	72	690,870,858	52%

Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the businesses of the Group. Annual Reports are made available to shareholders in electronic form. Shareholders may at any time elect to receive an Annual Report from JKH in printed form, which is provided free of charge.

The Group maintains records of all resolutions and applicable information upon a resolution being considered at any General Meeting. The Group shall also provide copies of the same at the request of the Exchange and/or the SEC.

The Group constructively makes use of the AGM towards enhancing relationships with the shareholders and towards this end the following procedures are followed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report within the specified time.
- Summary of procedures governing voting at the AGM are clearly communicated.
- The Board ensures that the External Auditors are present at the AGM.
- Availability of Executive and Non-Executive Directors to answer queries.
- The Chairperson-CEO ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes, those for, against, and withheld (abstained) are counted.
- The AGM for the year was held virtually, complying to the guidelines issued by the CSE.

4.6.1.4 Serious Loss of Capital

In the unlikely event that the net assets of the Company fall below half of its stated capital, shareholders will be notified, and the requisite resolutions would be passed on the proposed way forward.

4.6.1.5 Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company will seek shareholder approval, either via special or ordinary resolution as permitted under applicable law, when transactions and events which are material in the context of Group and Company occur or are undertaken and in line with all applicable rules and regulations. During the year under review, an amendment to the Articles of Association was done through the passing of a special resolution at an extraordinary general meeting, to facilitate the revised rules on Alternative Directors.

4.7 Sustainability Governance

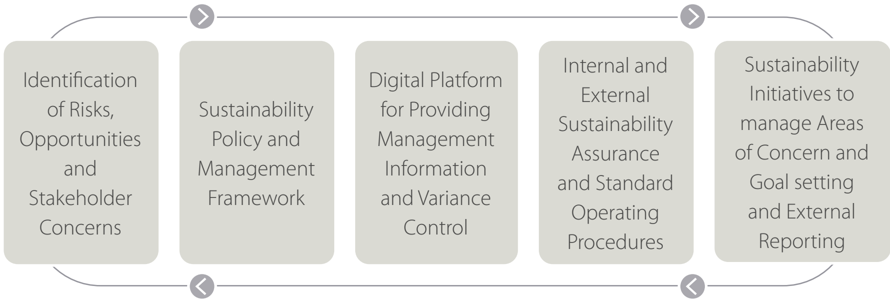
The Group remains steadfast in its commitment to being responsible and conducting operations in a sustainable manner whilst focusing on ESG aspects. Sustainable practices remain a strategic priority of the Group, and this is ensured through the embedding of its framework into day-to-day operations.

4.7.1 Approach

The Group's approach to sustainability is materiality and is optimised continuously based on performance. The Board firmly embeds sustainability concerns within the Group's strategic planning process, with companies striving to optimise performance from a triple bottom line lens and internal and external sustainability assurance and standard operating procedures which are in place to review the effectiveness of the procedures embodied by the Group on a needs basis.

The Group has in place a sound sustainability integration process, management framework and sustainability organisational structure through which sustainable practices are embedded to the Group's operations.

With the introduction of the Group's ESG ambitions, a governance framework has been put in place to follow through and ensure accountability. This structure will enable top-down undertaking of material aspects at Group and Sector levels and assign accountability as well as further contribution.



Sustainability Integration Process

The Group's well-established sustainability integration processes and its sustainability management framework works alongside other key functions and management systems such as human resources, health & safety and product responsibility processes, as well as risk management, internal audit, legal and statutory compliance and corporate social responsibility initiatives. The Sustainability Management Framework is updated on a continuous basis to incorporate changing requirements and updates to the global sustainability landscape.

Environmental issues such as, climate change, resource scarcity and environmental pollution, social issues such as, the Group's labour practices, talent management, product safety and data security, and governance aspects such as, Board diversity, executive pay and business ethics are given significant emphasis within the Group and are quarterly reviewed by the GEC and Board.

Group's Efforts Towards ESG Initiatives During the Year:

- Outlined a comprehensive roadmap to achieve ESG ambitions, focusing on short, medium, and long term goals across various dimensions.
- Governance framework established to drive ambitions with senior leadership appointed as ambition heads and champions from across the Group to spearhead ambitions at a Group level.
- Cross cutting steering committees have been appointed for each ambition to assist with sector level implementation
- Developed and updated Group policies to support ambitions.

These ambitions are also focus areas for the John Keells Foundation. Efforts through JKF will also contribute towards the achievement of ambitions set under these pillars.

The Group has outlined a comprehensive roadmap to achieve ESG ambitions, focusing on short, medium, and long term goals across various dimensions. These ambitions will be further fine-tuned and revised based on the groundwork and detailed findings of each of the pillars under the Ambition Heads and any revisions or deviations from these initial ambitions will be periodically reported and updated during the annual reporting process given its medium to long term nature. On the environmental front, the Group aims to achieve net-zero greenhouse gas (GHG) emissions aligned to global conventions, reflecting its commitment to energy management. For waste management and packaging, the medium-term targets include using 100% recyclable plastics, eliminating 50% of internally consumed plastics, achieving zero waste to landfill, and becoming plastic-neutral in the medium-term. Looking further ahead, the Group aspires to work towards becoming plastic-positive. Underwater stewardship, medium-term goals include reducing water consumption per revenue earned, with Group-wide targets to be determined, while the long term vision is to achieve water neutrality in the medium-term and water positivity in the longer term.

In the social domain, health & safety targets aim for zero preventable injuries across all businesses in the medium-term, with all businesses achieving Occupational Health & Safety (OHS) accreditation in the long term. Diversity and equal opportunity initiatives include increasing female workforce representation to 40% by 2030, ensuring workplace accessibility by all in the medium-term, and committing leadership to the Champions of Change pledge.

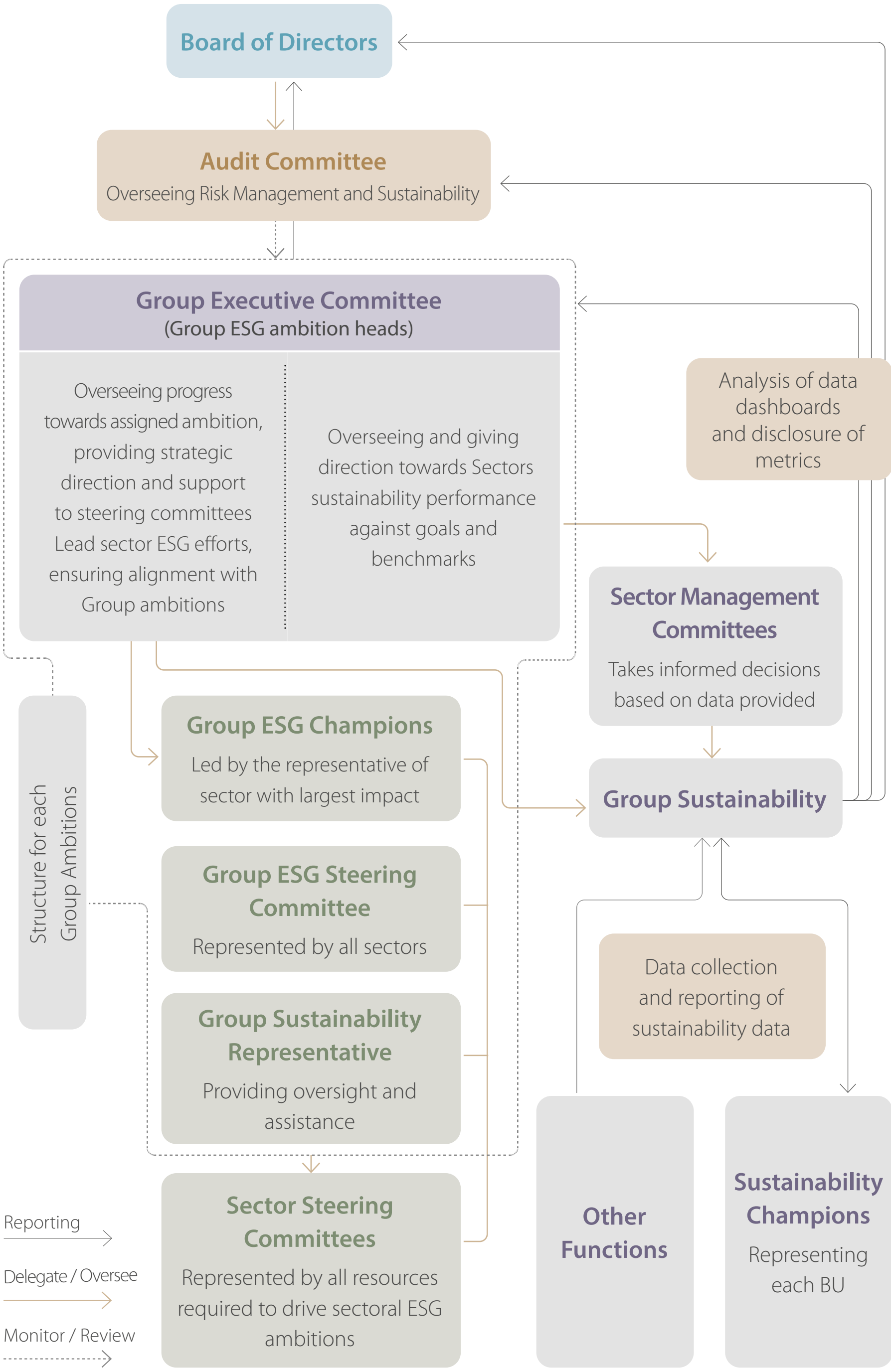
While the Group has made its best efforts and done a lot of groundwork to break role stereotypes and develop a pipeline of female leaders, the recovery from the disruptive macro-environment in the country, together with some of the other challenges, resulted in the Group falling short of the original target of 40% established for 2025.

Medium-term objectives include achieving 30% women in leadership positions and enhancing accessible communication for all. Long term goals target gender parity and establishing a specific representation target for persons with disabilities (PWDs).

Under community empowerment, the Group's short term objectives involve enhancing skills, increasing market access, and implementing activities to promote social health in the shorter term. For stakeholder management, the Group is committed to enhancing the sustainability of its supply chain. These goals demonstrate the Group's commitment to fostering a sustainable, inclusive, and equitable future through deliberate and phased ESG strategies.

John Keells Foundation, the CSR arm of the Group, undertook a strategic review of its focus areas, guided by research into evolving socio-economic needs. The initiatives carried out under the areas of Education, Community and Livelihoods, Social Health and Cohesion, and Biodiversity not only fulfil the Foundation's purpose but also contribute meaningfully towards achieving the Group's Environmental and Social (E&S) ambitions, as illustrated.

The Group established a comprehensive governance framework to ensure accountability, consistency, and support the effective delivery of the ambitions set out under the ESG pillars. This included the appointment of Group ESG Ambition Heads, ESG Champions, and Steering Committees, all guided by a clearly defined mandate outlining roles, responsibilities, reporting structures, and frequencies. This framework was integrated into the existing sustainability governance structure to create a unified, streamlined system for reporting and decision-making.



Group's Sustainability Governance structure

The Group's ESG framework is an amalgamation of the various frameworks within the Group, and, through this, the Group endeavours to ensure sustainable value creation for all stakeholders and mitigate any adverse impacts of Group businesses on the environment, economy and society. As such, the ESG disclosures across the Report are captured through the following frameworks:

ESG Disclosures through:

4.7.4 Sustainability Organisation Structure

Group Executive Committee

Responsible for formulating and steering the Group's overall Sustainability strategy.

Sustainability, Enterprise Risk Management and Group Initiatives Division

Operationalises the Sustainability Management Framework (SMF) and carries out Group-wide processes, including identification of stakeholder and material issues, stakeholder engagements, risk assessments, Group-wide awareness campaigns and overall review and monitoring of the SMF.

Business Units

Each business unit is responsible for their sustainability performance, operating under the umbrella of the Group's SMF. Sustainability Champions under the leadership of their respective Heads of Business/Sector Heads, and working closely with the central sustainability division, have responsibility for implementing sustainability initiatives and management of performance of their individual businesses.

The Group firmly embeds sustainability concerns within the Group's strategic planning process, with companies striving to optimise performance from a triple bottom line lens. All business units are required to identify non-financial risks and material impacts and include strategies to address these through sustainability initiatives and projects. Business and individual objectives are therefore aligned with overall sustainability goals, resulting in an entrenched focus on sustainability.

The SMF extends beyond Group boundaries, also focusing on the Group's value chain with the purpose of benefiting suppliers and their own dependent supply chains. Through its Supplier Code of Conduct, annual assessment of supply chain partners and ongoing awareness and engagement through Supplier Fora, the Group strives to have a positive impact on key external stakeholders.

4.7.5 Sustainability Disclosures

The Group uses both its Annual Integrated Report and corporate website as the primary means of responding to stakeholder concerns and outlining its Sustainability strategy, including materiality assessments and management policies and processes. The data measurement techniques, calculation methodologies, assumptions and estimations applied in the compilation of the sustainability indicators contained in this Report, are in accordance with standard industry practices and Global Reporting Initiatives (GRI) Standard. Such data measurement techniques, methodologies, assumptions and estimations are detailed in the relevant Management Approach Disclosures section and can be found in each of the Capital Review sections of the Annual Report. Reference to specific information and disclosures required by the GRI Standards can be found through the GRI content index. Figures and statements have been rearranged, wherever necessary, to conform to the current year's presentation in terms of restatements and comparisons to the previous year.

5 ASSURANCE MECHANISMS

The Assurance Mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the Group Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the governance system. The Group also conducts internal and external audits on a periodic basis, annually at minimum.

As outlined in the ensuing sections, the Group has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required. Other than matters on significant transactions linked to the operations of the Group, no critical concerns which have a material adverse effect on the Group were raised during the year.

5.1 Key Internal Policies

The integrated governance systems and procedures and the various frameworks as discussed under Section 4 of this Commentary are operationalised and sustained through a comprehensive set of internal policies and implementation procedures established by the Group. The Group maintains a robust set of internal policies and implementation procedures and any changes to such polices shall be communicated to the stakeholders as relevant. The Board delegates the responsibility for monitoring compliance with such policies to the Chairperson-CEO or relevant Board Committees. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies of the JKH Group

- Policy on Conduct and Business Ethics
  - Code of Conduct, which also includes policies on gifts, entertainment, facilitation payments, proprietary and confidential information, insider trading and conflicts of interest
  - Supplier Code of Conduct
- Policy on Corporate Governance
- Policies at a Board level, including the Policy on Matters Relating to the Board of Directors, Policy on Board Committees and Policy on Nominations and Re-election
- Policy on Remuneration
- Policy on Diversity, Equity and Inclusion, including a Gender Policy
- Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- Recruitment and selection, rewards and recognition, and learning and development polices
- Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health & safety enhancements and protocols
- Policy against sexual harassment
- Policy on forced, compulsory child labour and child protection
- Group accounting procedures and policies which includes the Policy on Control and Management of Company Assets and Shareholder Investments and the Policy on the Engagement of the External Auditor for Non-Audit Services
- Policies on fund management and foreign exchange risk mitigation
- Environmental, Social and Governance (ESG) Policy and the Group's sustainability policies including policies on energy, emissions, water, waste management and biodiversity conservation
- Policies on products and services
- Information Technology (IT) policies and procedures, including data protection, classification and security
- Enterprise Risk Management and Internal Controls Policy
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Policy on Corporate Disclosures and Relations with Shareholders and Investors
- Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- Policies on whistleblowing (Speak up Policy), grievance handling and disciplinary procedures, including the Ombudsperson policy

Key initiatives during the year

During the year under review, the Group revisited its internal policy universe to ensure adherence with the revised Listing Rules of the CSE. The key developments include:

- While the Group has a Code of Conduct applicable to all Employees, this Code was introduced under the Group's policy framework to provide a structured approach to govern ethical business practices and professional behaviour.
- While separate sustainability related policies existed and continue to do so, a Policy on Environmental, Social and Governance (ESG) was newly developed to provide an overarching framework to tie in the different aspects of the individual policies.
- A Policy on Relations with Shareholders and Investors was introduced, and while the Group already had relevant processes in places for the same, this Policy ensures alignment with the Listing Rules while incorporating existing governance measures.
- A Policy on Control and Management of Company Assets and Shareholder Investments was formalised to enhance transparency and accountability in the oversight of shareholder assets and investment decisions.

Disclosure as per Rule 9.2 of the Listing Rules: https://www.keells.com/resource/governance/Statement-for-Website-Adoption-of-Policies.pdf

The Code of Conduct also serves as the critical link between the Group's governance framework and its employees, translating governance principles into expected behaviours. It encompasses the requirements of the internal policies by providing a unifying standard that guides daily decision-making and conduct across all levels of the organisation.

The Group's policy commitments are available to all employees via the Group's employee portal and such policies are made available to the shareholders upon a written request. These policy commitments are approved by the GEC with Board oversight. Other than the updates and the policies that were formalised in order to comply with Rule 9 of the Listing Rules as outlined below, no material changes were done to the Group policies during the reporting period and all the policies were complied with and no waivers from compliance or exemptions for the internal Code of Conduct and business ethics were granted during the year under review. The Group is in the process of making available all applicable policies in the public domain.

"The Group's policy commitments are available to all employees via the Group's employee portal and such policies are made available to the shareholders upon a written request. These policy commitments are approved by the GEC with Board oversight."

5.1.1 The Code of Conduct

The Code of Conduct acts as a vital conduit between the Group's overarching governance framework (which includes the Group's internal policies) and its employees, as it is the primary tool that operationalises the governance framework. The Code of Conduct is based on the following four principles:

JKH Code of Conduct

- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

The Code of Conduct is incorporated as part of the contract of employment of every employee. For new joiners in the executive and above levels, the content of the Code of Conduct (which includes the anti-corruption policy and procedure) is covered via a mandatory e-learning module whilst copies of the document are available in Sinhala and Tamil languages for employees who are more conversant in those languages.

Through the Code of Conduct, all Group policies apply to all employees and Directors. All policies of the Company receive final approval at Board level and are readily available to employees in the official languages of Sri Lanka (Sinhala, Tamil and English). The Company leadership, both the Board of Directors and the GEC, spearheads the implementation of the Code.

During the year under review, the Group continued to strengthen its internal policy framework in line with best practice and the revised CSE Listing Rules. This included a review of the interdependencies among its policies, the revamping of existing policies, and the formalisation of processes already in place through the introduction of overarching policies for these processes. As part of this effort, the Group's Code of Conduct is currently being revamped to consolidate all expectations from an employee into a single, more informative, and comprehensive policy document.

The objectives of the Code of Conduct are strongly affirmed by a strong set of Values which are well institutionalised at all levels within the Group through structured communication. The degree of employee conformance with Values and their degree of adherence to the JKH Code of Conduct are key elements of the reward and recognition schemes.

There were 23 reported incidents of fraud, 22 of which resulted in employee terminations. The majority of these incidents were reported from the Supermarket business.

The Group Values continue to be consistently referred to by the Chairperson-CEO, Presidents, Sector and Business Unit Heads during employee and other key stakeholder engagements, in order to instil these values in the DNA of the employees.

Group Values are found in the Business Model section of the Annual Report – page 50.

Ethical Business Practices of the Group

- Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from, and including the Board of Directors. All Group companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The Group has a zero-tolerance policy towards bribery and corruption.
- Stringent checks during the recruitment process ensures that minimum age requirements are met.
- Ensures that all businesses are educated on the possible sources of forced and compulsory labour.
- Committed to upholding the universal human rights of all its stakeholders.
- Is an equal opportunity employer and has zero-tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion or any other difference.

Deep-dive into Giving and Receiving Gifts, Favours and Entertainment

The Group's policies prohibit the giving or receiving of gifts, entertainment or favours where a reasonable person could perceive a risk to independence or impartiality or view it as an inducement for an official or business favour. This covers interactions with clients, service providers, customers, business associates, political parties, or any stakeholder and also applies to charitable donations and sponsorships. Any gifts or benefits exceeding USD 50 per gift, whether given or received, may be permitted under business exigencies but must be reported to the relevant Finance Head (Chief Financial Officer or Sector Financial Controller) and are centrally collated and monitored.

5.2 Senior Independent Director (SID)

The Senior Independent Director serves as a key point of contact for shareholders and Board members, providing independent oversight, supporting the Chairperson, and addressing any concerns that may arise regarding the leadership or governance of the Board.

For more information refer the Senior Independent Director section – page 252.

5.3 Chairperson Direct

The Group has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson via email regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

5.4 Board Sub-Committees

The Board Sub-Committees play an important supervisory and monitoring role by focusing on the designated areas of responsibility passed to it by the Board.

For more information refer the Board Sub-Committees section – page 243.

5.5 Employee Participation in Assurance

The Group is continuously working towards introducing innovative and effective modes of employee communication and employee awareness. The importance of communication – top-down, bottom-up, and lateral – in gaining employee commitment to organisational goals has been conveyed extensively through various communications issued by the Chairperson-CEO and the management. Whilst employees have many opportunities to interact with senior management, the Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal.

- Skip level meetings
- Exit interviews
- 360 degree evaluation
- Employee surveys
- Monthly staff meetings
- Chairperson-Direct
- Ombudsperson
- Access to Senior Independent Director
- Continuous reiteration and the practice of the Open-Door policy

Additionally, the Group continued with its policies on whistle blowing and securities trading. The Group has witnessed an increased level of communication flow from employees. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded.

Transparency in Corporate Reporting (TRAC) Assessment

JKH was ranked first in the Transparency in Corporate Reporting (TRAC) Assessment by Transparency International Sri Lanka (TISL) for the past four consecutive years, with a 100% score for transparency in disclosure practices. For the period under review, an assessment was not conducted by TISL, and the most recent ranking remains in effect until a new assessment is carried out.

This ranking is based on an assessment of corporate disclosure practices among the top 125 companies listed on the CSE, under six different thematic areas crucial to fighting and preventing corruption – reporting on anti-corruption programmes, organisational transparency, country-by-country reporting, domestic financial reporting, reporting on gender and non-discrimination and reporting on procurement related to Government contracts and tenders.

5.6 Internal Controls

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems, and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

5.6.1 Internal Compliance

A quarterly self-certification programme requires the Presidents, Sector Heads and Chief Financial Officers of industry groups to confirm compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance statement which gets collated every quarter and tabled at the respective Audit Committee meetings, is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro operating contexts, for reporting and monitoring purposes.

5.6.2 System of Internal Control

The Board has taken steps to obtain assurance that systems, designed to safeguard the Company's assets and provide management information, are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice. This also enables the continual streamlining and optimisation of the internal audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The Group has in place two integrated frameworks, the Fraud Deterrent and Investigation Framework and the Integrated Process Review Framework that complement each other to strengthen the Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated

Process Review Framework provides an innovative approach to internal audits, which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system implemented for quarterly financial and operational information management, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into internal audit scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

Initiatives to Strengthen Internal Controls

- A Forensic Data Analytics platform was implemented for automated transaction outlier detection, to monitor key financial data such as accounts payable, accounts receivable, the general ledger and other financial transactions. The system detects anomalies and routes alerts for timely management review, helping deter fraud and reinforce internal controls. Alerts are classified as Useful or Not Useful, with the latter undergoing independent internal audit review. This process includes a formal root-cause analysis and an evaluation of the efficacy of remedial measures. Findings and trends are regularly reviewed with governance bodies to drive continuous improvements. Utilising machine learning and behavioural analytics, the platform enhances risk mitigation, fraud detection, and regulatory compliance.

- The Group launched a pilot for an advanced, data-driven Integrated Financial Risk Intelligence System to enhance financial governance, compliance oversight, and credit risk mitigation. Utilising behavioural analytics and machine learning, the system analyses customer payment patterns, generating actionable insights to translate behavioural risk to financial risks. Aligned with IFRS 9 guidelines, it supports informed decision-making, strengthens governance, and ensures regulatory compliance.

- The Group maintained a robust Business Continuity Management (BCM) framework; a process driven approach designed to safeguard operational integrity, protect stakeholder interests, and align with globally recognised resilience standards such as ISO22301:2019 and DRI best practice. This framework integrates proactive risk mitigation, rigorous testing, and governance oversight to ensure continuity of critical functions during disruptions.

- In order to ensure compliance with the Personal Data Protection Act No. 09 of 2022 (PDPA), Data Protection Officers (DPOs) have been designated across the various Industry Groups, each responsible for overseeing data protection practices within their respective domains. They are supported by a Data Governance Steering Committee that provides strategic oversight and guidance on data governance and personal data protection matters. External professionals have also been engaged to conduct comprehensive analyses, which have helped identify areas of improvement in the Group's data protection framework leading to enhancements in processes, technical including security controls, and organisational measures. Regular compliance reports are submitted by the DPOs to the President/Sector Head and the Data Governance Steering Committee, while the Audit Committee receives updates on compliance, emerging issues and continuous improvements. No substantiated complaints concerning breaches of customer privacy or loss of customer data have been reported by the businesses through the complaints recording mechanism, as reflected in the Group's operational compliance report. The Group remains committed to strengthening the reporting process to enhance overall governance and establish robust oversight. In parallel, the Group actively monitors regulatory developments and engages with the Data Protection Authority (DPA) to ensure adherence to evolving the evolving regulatory requirements.

The risk review programme covering the internal audit of the whole Group is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the business/ functional unit levels and, after review by the Sector Head and the President of the industry group, are forwarded to the relevant Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

5.6.3 Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The Group is very much aware of the need to ensure that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages, in the context that increasing use of information technology and integrated financial controls creates unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Group continues to take steps to identify and evaluate existing conflicts through the maintenance and monitoring of a SoD matrix with defined parameters for identifying, approving and reporting on conflicting roles and how they are dealt with. The residual risks and then reduced to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

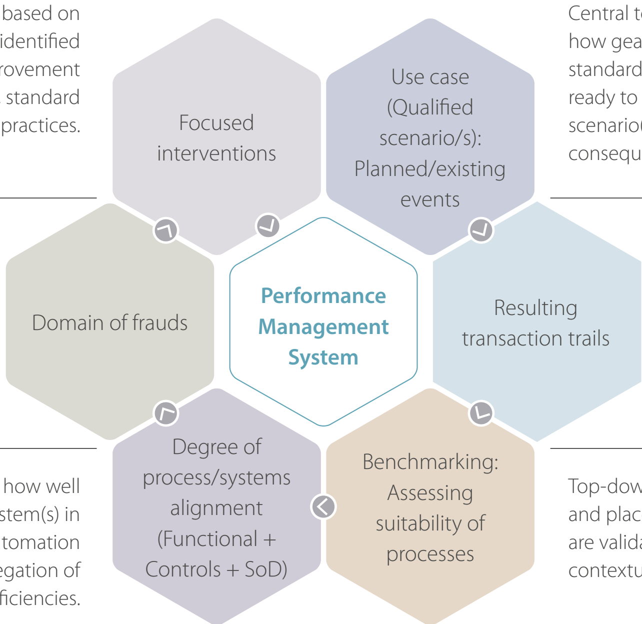
5.6.4 Internal Audit

The ensuing diagram provides a helicopter view of the internal audit approach that has been rolled-out within the Group. Central to this approach is the business strategy and how the current processes, systems, and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/or value-added recommendations.

The new internal audit approach: Continuous emphasis on context

Prompt active engagement based on prioritised remediation for identified opportunities for continuous improvement of existing processes, systems, standard operating procedures and practices.

Central to this approach: Auditor determines how geared the factors of Process, Systems, and standard operating procedures are aligned and are ready to facilitate predominant use cases [specific scenario(s)] that stem from events occurring, consequent to the current business strategy.



Disclosure of a qualified list of fraud that the process is assessed for its susceptibility and is based on authoritative sources such as Association of Certified Fraud Examiners (ACFE), and amongst others, Global knowledge resources of Audit firms.

Transactions resulting from events are scrutinised, anomalies identified, and root cause (contributory effect of Process, Systems, People), and its potential impacts to the business are prioritised for further deliberation.

Bottom-up evaluation : Determine how well process controls are enforced by the system(s) in use, identify opportunities for process automation and optimising enforcement of segregation of duties (SoD) to enhance efficiencies.

Top-down assessment: Efficacy of the design and placement of process/functional controls are validated/verified and benchmarked with contextually relevant best practice.

Whilst there are merits and demerits associated with outsourcing an internal audit, the Group is of the view that having an external based auditor is more advantageous. However, there are certain industries where the domain is very operationally specific and requires an internal auditor in addition to the External Auditor.

5.6.4.1 Forensic data analytics to identify anomalies and facilitate behavioural oversight

Traditionally, internal auditing followed an approach which was based on a cyclical process that involves manually identifying control objectives, assessing and testing controls, performing tests, and sampling only a relatively small population of the dataset to measure control effectiveness and operational performance. Today, the Group operates in a complex and dynamic business environment where the number of transactions has increased exponentially over the years and traditional cyclical/sample based internal auditing techniques are becoming less effective. As such, the Group continues to use big data analysis techniques on the total data using standard deviations, z-scores and other statistical measures in establishing real-time, user-friendly outlier identification and early warning triggers.

Forensic Data Analytics

The Group uses forensic data analytics to facilitate action towards investigating transactions that are distinct within its population, based on well-established algorithms that prompt attention to strengthen process and systems controls in ensuring the integrity of such transactions within its contextual domain.

A key success factor of this oversight mechanism is the use of advanced machine learning algorithms, that are continuously sensitised to each business's operating circumstances that trigger such transactions, and to remain relevant and insightful, by increasing its utility and providing optimisation opportunities for continuous controls monitoring (CCM) and active intervention.

As part of the Group's commitment to strengthening financial governance and risk oversight, a Forensic Data Analytics platform for automated Transaction Outlier Detection is deployed to monitor data sets related to amongst others, accounts payable, accounts receivable, general ledger, and other financial transactions. This system detects anomalies and routes alerts to Management for timely review and response, functioning as a strong oversight mechanism that helps deter fraud and reinforce the control environment.

"The Group uses forensic data analytics to facilitate action towards investigating transactions that are distinct within its population, based on well-established algorithms that prompt attention to strengthen process and systems controls in ensuring the integrity of such transactions within its contextual domain."

5.7 Ombudsperson

An Ombudsperson is available to report any complaints from employees of alleged violations of the published Code of Conduct, if the complainant feels that the alleged violation has not been addressed satisfactorily by the internally available mechanisms.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson-CEO or to the Senior Independent Director upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson-CEO or the Senior Independent Director, as the case may be, will place before the Board:

i. the decision and the recommendations.

ii. action taken based on the recommendations.

iii. where the Chairperson-CEO or the Senior Independent Director disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson-CEO or the Senior Independent Director is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The current Ombudsperson is an attorney-of-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term between three to five years, which may be renewed at the option of the Board.

Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO and those to whom this authority has been delegated.

No issues were raised by any member of the companies covered during the year under review.

Ombudsperson
31 March 2025

"The Group will continue to stay abreast of governance best practice and assess its level of preparedness and its capability in meeting and managing evolving internal and external challenges."

5.8 External Audit

Ernst & Young are the External Auditors of the Company as well as many of the Group companies. The individual Group companies also employed KPMG, Deloitte Partners, and Luthra and Luthra, India as External Auditors. The appointment/re-appointment of these auditors was recommended by the individual Audit Committees to their respective Boards of Directors.

The Audit Committee, comprising majority of Independent Non-Executive Directors of JKH, annually review the appointment of External Auditors and recommend the appointment of auditors for shareholder approval at the Annual General Meeting. The Committee has recommended retaining Ernst & Young as the Group lead consolidating auditor given the various complexities of the Group and related nuances. The Auditors maintain independence through routine rotation of partners.

The audit fees paid by the Company and Group to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

6 GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

The need for maintaining a robust and well-grounded corporate governance framework is vital when operating in a dynamic and challenging socio-economic environment, exacerbated by global volatility. A strong governance mechanism is pivotal in enhancing accountability to diverse stakeholders, ensuring corporate transparency, fair-mindedness and creating sustainable value. In this light, the Group will continue to stay abreast of governance best practice and assess its level of preparedness and its capability in meeting and managing evolving internal and external challenges.

The pursuit of continuous improvement in governance, emphasis on environmental and social considerations, and a call for increased accountability and transparency continue to influence and shape the role of Board governance aspects. It not only mitigates risks but also fosters trust, attracts investment, and drives sustainable growth. The primary areas of focus and challenges, amongst many others, being continuously addressed by JKH are detailed in the ensuing section.

6.1 Board Diversity

JKH values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy.

6.2 Board Independence

Board independence holds significant value for stakeholders, stock exchanges, and regulatory bodies globally and has been a cornerstone of JKH's values and success. JKH emphasises the need for effective structures and nomination processes to foster independent decision-making and minimise conflicts of interest.

While criteria for defining Board independence vary across countries, evidence suggests that a combination of checks and balances, such as assurance mechanisms, comprehensive evaluations, and Independent Director-led engagements, can enhance governance without compromising corporate operations. JKH remains committed to strengthening Board independence while aligning with its diversified conglomerate operating model.

6.3 Anti-Fraud, Anti-Corruption and Anti-Bribery

The Group prioritises ethical practices across all operations and enforces a strict zero-tolerance policy against bribery and corruption. It fosters a culture of transparency and honesty in interactions with both internal and external stakeholders. Through its Code of Conduct and policies on anti-fraud, anti-corruption, anti-money laundering, counter-terrorist financing, and transparency, the Group is dedicated to preventing, managing, and reporting unethical practices. All forms of fraud and corruption, including, but not limited to, theft, embezzlement, overriding controls, giving or receiving kickbacks, facilitation payments, bribery, allowing oneself to be placed in situations of conflict of interest and dishonesty in financial and non-financial statements is prohibited across the Group. Additionally, the Group continuously enhances its monitoring and resolution processes for Code of Conduct deviations. Its commitment to transparency is reflected in being ranked first for the fourth consecutive year in the 2023 TRAC Assessment by TISL, achieving a full score for disclosure practices. For the period under review, an assessment was not conducted by TISL, and the most recent ranking remains in effect until a new assessment is carried out.

6.4 Increasing Emphasis on ESG Aspects

ESG-focused investing is gaining momentum globally as governments, funding agencies, and investors seek to minimise irresponsible corporate practices that harm the environment, infringe on human rights, and encourage corruption. Effective ESG policies are vital for attracting talent, retaining employee loyalty, and ensuring sustainable growth.

JKH believes that prioritising ESG fosters a comprehensive analysis of performance, enabling a sustainable business model that benefits all stakeholders. Efforts include managing natural resources, reducing environmental impact, enhancing stakeholder well-being, and ensuring robust governance. ESG metrics are regularly reviewed during decision-making to stay ahead of developments and integrate ESG elements into strategy, operations, and reporting.

In collaboration with an international consultancy firm, JKH conducted detailed studies across industries to identify material ESG topics, benchmark performance against industry leaders, and engage stakeholders for insights. This resulted in the identification of key ESG priorities for each sector.

Following the release of IFRS S1 and S2 standards by International Sustainability Standards Board (ISSB) and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH is preparing for implementation of the standards. A consultant-led gap analysis will guide integration, supported by dedicated teams at sector and Group levels.

6.5 Continual Strengthening of Internal Controls

Augmenting transactional and financial internal controls with operational aspects, in line with international best practice, remains a medium-term priority for the Group. Continuous strengthening of internal controls through a structured process that optimises and facilitates process audit information, lifecycle management and related processes are expected to:

- eliminate inefficiencies inherent in manual processes.
- provide a platform based on process enforcement.
- enable management follow-up based on centrally held data in a compliance repository.
- identify trends, action taken, effectiveness and opportunities for process improvement by analysing movement of the compliance posture.
- strengthen the Group's ability to prevent and detect fraud.
- leverage data analytics and technology to raise alerts.

Refer Section 5.6.2 of this Commentary for initiatives during the year aimed at strengthening internal controls - page 269 and Section 4.4 for initiatives on IT Governance – page 258.

6.6 Digital Oversight and Cyber Security

Whilst the rapidly advancing nature of technology and the continual integration of the Group's operations with technological progress has enhanced and streamlined processes and controls across the Group and opened up opportunities, it has resulted in increased vulnerability for the Group from a digital standpoint. As a result, the Board places significant emphasis on ensuring that the Group's soft and hard infrastructure is designed in a manner, and adequate, to deal with and prevent potential breaches. Data protection and cyber security are regularly addressed during the Risk Management and Audit Committee meetings and periodically discussed at a Board level.

6.7 Data Protection, Information Management and Adoption

The presence of continuously evolving IT infrastructure and platforms to meet requirements of day-to-day business, continues to augur well for the Group. Given the emergence of regulations such as the European Union General Data Protection Regulation (GDPR) and the Sri Lankan Personal Data Protection Act No. 9 of 2022, data security, integrity and information management has become pivotal. In addition to this, the Group's initiatives on advanced data analytics also necessitate an established governance framework to manage the flow of data. To this end, the Group will continue to strengthen its data governance structure to ensure ownership and accountability of clearly articulated data governance policies and processes and Group-wide data quality standards.

6.8 Greater Employee Involvement in Governance

Whilst all necessary compliance and assurance frameworks are believed to be in place, JKH recognises the pivotal role played by employees in reinforcing an effective governance system across the Group. JKH will continue to encourage greater employee participation through:

- ongoing training and refreshers on the Code of Conduct and related governance policies, including non-discrimination, anti-corruption and anti-bribery.
- a further strengthened performance management process, which envisages continuous feedback and greater engagement via employee information systems.
- engagement and empowerment via greater delegation of authority.
- increased communication and collaboration.
- adoption of differentiated means of communication based on the demographical dynamics of employee segments.

6.9 Need for Increased Transparency

Ensuring transparency is a continually evolving journey given progressing regulations, advancements in global best practice and complex stakeholder needs. Staying abreast of internally accepted best practice and continuously challenging the status quo is vital in this journey of being transparent. Additionally, transparency and accountability in reporting foster a foundation of trust with stakeholders which improves the credibility of the organisation, whilst also strengthening an organisation's legitimacy and reputation. Openly reporting on activities and challenges builds public trust and demonstrates a commitment to ethical practices. In today's information age, such aspects will aid organisations in differentiating themselves from a stakeholder's point of view, including attracting investment so long as the information is relevant to the stakeholder and does not create information overload where the material information may lose the perspective and attention it warrants.

In an organisation's journey towards transparency, the Government and regulatory bodies also need to play a pivotal role in ensuring the required foundations and criteria for good governance are advocated and put in place. Hence, it is vital for the regulatory frameworks of the country to evolve as corporates cannot operate in isolation within the ecosystem. For instance, Transparency International, including its local counterpart, advocates for the disclosure of Ultimate Beneficial Owners (UBO) of corporates. However, collating information on ultimate beneficial owners of entities is not possible as a listed entity cannot compile this information in isolation since the country's regulations do not require this to be disclosed when purchasing shares in the CSE.

7 COMPLIANCE SUMMARY

The Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the Group complied with all Applicable Laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the Company, and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

7.1 Statement of Compliance pertaining to the Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule		Compliance Status	Reference (within the JKH Annual Report)
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Group Directory
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements

Rule		Compliance Status	Reference (within the JKH Annual Report)
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Group Directory
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee/Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/ Annual Report of the Board of Directors
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements/ Annual Report of the Board of Directors

7.2 Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the JKH Annual Report 2024/25)
(i)	Names of persons who were Directors of the Company	Yes	Corporate Governance Commentary – Section 3.1
(ii)	Principal activities of the Company and its subsidiaries during the year, and any changes therein	Yes	Management Discussion and Analysis
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Share Information
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares	Yes	
	The public holding percentage in respect of non- voting Shares (where applicable)	Not Applicable	
	b) The public holding percentage in respect of Foreign Currency denominated Shares	Not Applicable	
(v)	A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year	Yes	Corporate Governance Commentary – Section 3.1.13.1
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Key Risks
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Yes	Stakeholder Engagement and Determining Materiality sections
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Group Real Estate Portfolio
(ix)	Number of shares representing the Company's stated capital	Yes	Share Information
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	
(xi)	Ratios and market price information	Yes	
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Notes to the Financial Statements

Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the JKH Annual Report 2024/25)
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Yes	Share Information
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes	Corporate Governance Commentary – Section 7/ Note 44 of the Notes to the Financial Statements
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Yes	
(xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-

7.3 Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	JKH Action / Reference (within the Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's message
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website		Corporate Governance Commentary – Section 5.3
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company		
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies		
9.2.4	Policies to be made available on written request to shareholders		
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	Corporate Governance Commentary – Section 3.2
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance Commentary – Section 4.6.1
9.4.2 a-d	Communication and relations with shareholders and investors	Yes	Corporate Governance Commentary – Section 4.6

CSE Rule		Compliance Status	JKH Action / Reference (within the Report)
9.5 Policy on matters relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance Commentary – Section 3
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined		Corporate Governance Commentary – Section 3.3 and 5.2
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance Commentary – Section 3.1.4
9.5.1 d	The rationale and the maximum number of Directors		Corporate Governance Commentary – Section 3.1.3
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes	Corporate Governance Commentary – Section 3.1.7
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations		Corporate Governance Commentary – Section 3.1.13.1
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes	
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum		Corporate Governance Commentary – Section 3.1.9
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action		Corporate Governance Commentary – Section 5.3
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	Yes	Corporate Governance Commentary – Section 5.2
9.6.2	Market announcement on the Chairperson being an Executive Director and/or combination of the Chairperson-CEO Roles including the rationale	Yes	
9.6.3 a-d	Requirement for a SID	Yes	
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	Yes	
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	Yes	
9.7 Fitness of Directors and CEO			
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules		Corporate Governance Commentary – Section 3.2.3
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director		
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness		

CORPORATE GOVERNANCE COMMENTARY

CSE Rule		Compliance Status	JKH Action / Reference (within the Report)
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with fit and proper assessment criteria		Corporate Governance Commentary – Section 3.1.13.1
9.7.5	Disclosures in the Annual Report		Corporate Governance Commentary – Section 3.2.3.1
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance Commentary – Section 3.1.3
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent.	Yes	
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Corporate Governance Commentary – Section 3.1.13
9.8.5 a-c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	Yes	No Alternate Directors were appointed during the financial year. Additionally, an EGM was held during the year and Articles of Association was amended to incorporate changes required as per the Rules
9.10 Disclosures relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold		Corporate Governance Commentary – Section 3.1.13.1
9.10.2 / 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	Corporate Governance Commentary – Section 1.3
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board Profiles
9.11 Nominations and Governance Committee (NGC)			
9.11.1	Establishment of a NGC	Yes	Corporate Governance Commentary – Section 3.2.3
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	Corporate Governance Commentary – Section 3.2.2
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	Corporate Governance Commentary – Section 3.2.3
9.12 Remuneration Committee (RC)			
9.12.2	Establishment of a RC		Corporate Governance Commentary – Section 3.2.2
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	

CSE Rule		Compliance Status	JKH Action / Reference (within the Report)
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes	Corporate Governance Commentary – Section 3.1.14
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Corporate Governance Commentary – Section 3.2.2
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Disclosure of statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	
9.13 Audit Committee			
9.13.1	Audit Committee (AC) to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance Commentary – Section 3.2.1
9.13.2	AC to have written Terms of Reference	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	
9.13.3 (2)	The quorum for AC Meeting shall require a majority of those in attendance to be IDs		
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes	
9.13.3 (4)/(6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC		
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report		
9.14 Related Party Transactions Review Committee			
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.2 (1)	Composition of RPTRC	Yes	
9.14.3	Functions of the RPTRC	Yes	
9.14.4 (1) – (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes	
9.14.5	Review of RPTs by the RPTRC	Yes	

CSE Rule		Compliance Status	JKH Action / Reference (within the Report)
9.14.6	Shareholder approval for RPTs	Yes	Corporate Governance Commentary – Section 4.6.1.5 During the year under review there was no requirements for Shareholder approval
9.14.7	Immediate disclosures	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Notes to the Financial Statements
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes	
9.14.8 (3)	Report of the RPTRC	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	Yes	Corporate Governance Commentary – Section 4.6.1.5 During the year under review there was no requirements for Shareholder approval
9.14.9 (4)/(5)/(6)	RPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Yes	There were no acquisition and disposal of substantial assets during the year 2024/25
9.17 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved		Corporate Governance Commentary – Section 3.1.13
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Corporate Governance Commentary – Section 5.5
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Corporate Governance Commentary – Section 3.1.7
(iv)	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Company operates	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period. The total number of fines for instances of non compliance with laws and regulations that were paid during the reporting period was one hundred and one instances, which added to a total monetary value of Rs.2.3 million mainly from the Supermarket business

7.4 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

Directors

- The Company is led by an effective Board that possess the skills, experience and financial acumen enabling independent judgement on a variety of subjects.
- Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required.
- The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. The combined role of Chairperson and CEO is justified given the nature of the Group with an annual performance appraisal in place.
- Board balance is maintained in line with the Code, supported by a majority of Independent Directors and the appointment of a Senior Independent Director, given the combined role of Chairperson and CEO.
- Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals.
- Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance Commentary.

Directors' Remuneration

- The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of Chairperson-CEO and EDs.
- ED compensation includes performance related elements in the pay structure.
- Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.

Relations with Shareholders

- There is constructive use of the AGM, as per Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute.
- The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section.
- Disclosure of material transactions and requisite shareholder approvals for major transactions.

Accountability and Audit

- Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the Company carried out all business in accordance with regulations and Applicable Laws, equitably and fairly.
- The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements.
- There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section.
- The internal audit function and the Audit Committee, functions as stipulated by the Code, and are discussed under the Audit Committee section.
- A Related Party Transactions Review Committee is in place and functions in line with the Code.
- There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section.
- All Corporate Governance disclosures under the CSE rules have been complied with.

Institutional Investors

- The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General Meetings as convened on a needs basis.

Other Investors

- Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General Meetings that are convened and to exercise their voting rights and seek clarity, whenever required.

Sustainability

- ESG is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the <IR> framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and contribute to United Nations Sustainable Development Goals.
- The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.

Internet and Cybersecurity

- The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The Company has implemented a Group policy, conduct periodic reviews to ensure its effectiveness, discuss cybersecurity risks at the Board level, and disclose the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.

Special Considerations for Listed Entities

- The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

DETERMINING MATERIALITY

Materiality analysis is one of the key processes that the Group uses to define key triple bottom line matters that are of significance to the business and its internal and external stakeholders. Through this process, the Group identifies short, medium, and long terms goals, processes and interventions aimed at addressing Group and stakeholder concerns.

The Group annually carries out a comprehensive materiality assessment internally, with the engagement of the sectors to assess and understand the progress of the goals and targets set against the key sustainability concerns.

A comprehensive stakeholder engagement survey is carried out every two years with the aid of an independent third-party, to assess the impacts of the ongoing activities and engagement of the Group, through how it has performed against the material topics, and to understand if the landscape of the material topics has changed.

IDENTIFICATION OF MATERIAL TOPICS

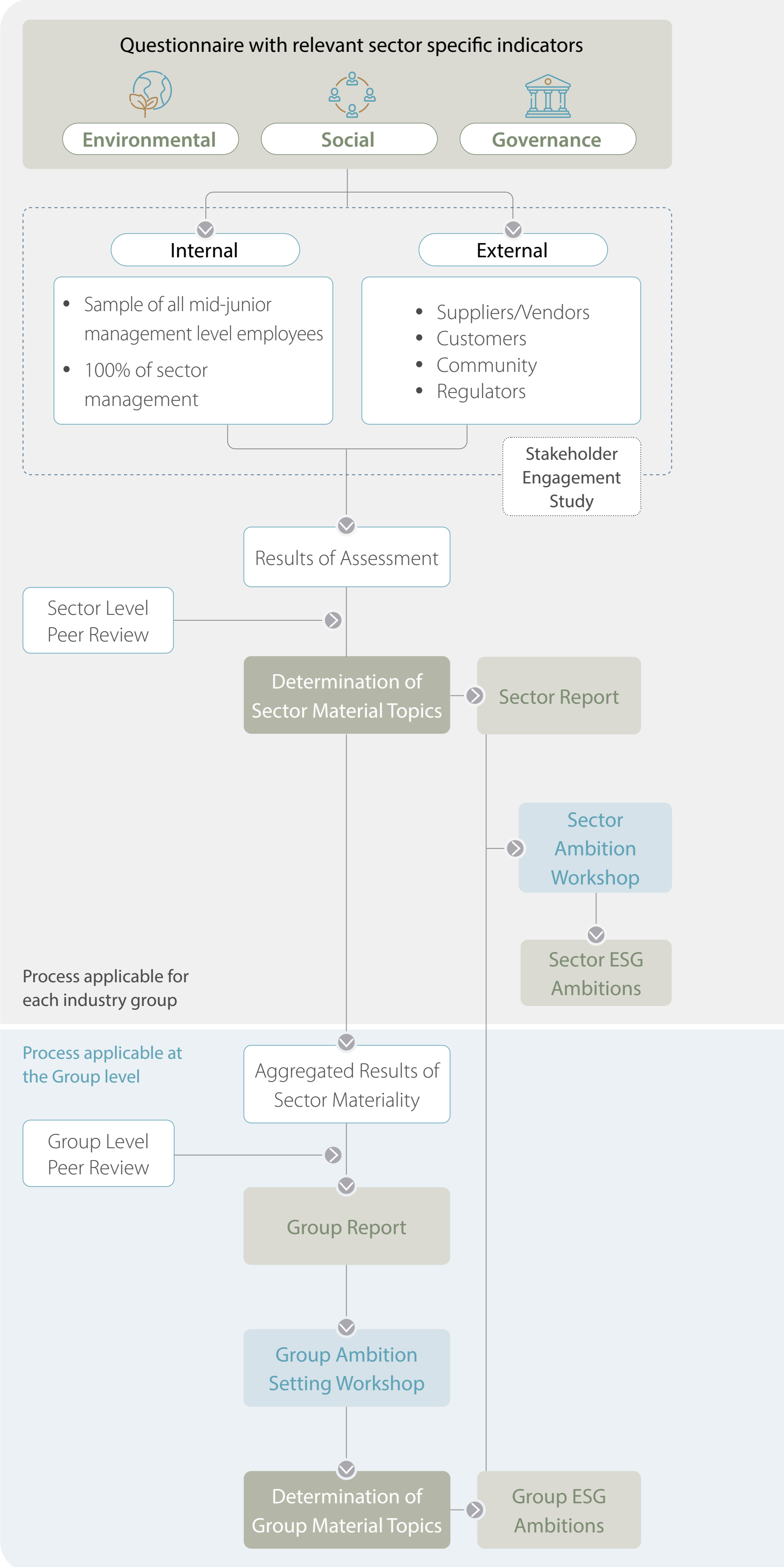
A stakeholder engagement study was carried out in 2022/23 as a part of the exercise carried out to develop the Group's environmental, social and governance (ESG) strategy. This study, led by an international third-party consultant, involved engagement with key internal and external stakeholders to identify critical ESG topics at the sector level. In parallel, a detailed desktop review was conducted for each sector, benchmarking against selected peer organisations recognised as industry leaders in ESG performance. The insights generated were shared with sector teams for further analysis and validation. The material topics identified across the sectors were then consolidated at the Group level.

A Group-level ambition-setting workshop, comprising of the Group's leadership, including the Chairperson, Deputy Chairperson, and members of the Group Executive Committee (GEC), as well as cross-functional leaders from all sectors and Centre Functions was convened to arrive at Group-level ambitions. This collaborative and iterative process culminated in the articulation of the material topics for the Group and overarching Group-level ESG ambitions.

Subsequently, a series of sector-level ambition-setting workshops were held, facilitated by the third-party consultant and Group Sustainability team, with participation from sector leadership and representatives from Centre Functions. These workshops led to the finalisation of sector-specific material topics and the definition of ESG ambitions at the sector level.

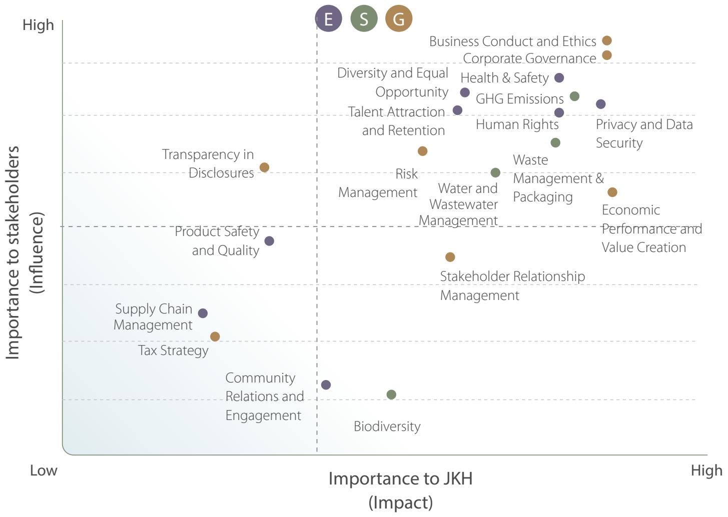
The Group established ambitions across environmental (E), social (S), and governance (G) domains, delineating short , medium, and long term goals based on the final selection of the Group- level material topics that stemmed from the exercise carried out. These ambitions were formulated during a Group-level ambition setting workshop, attended by the GEC, cross-functional sector leadership, and representatives from Centre Functions. Each pillar is overseen by an appointed member of the GEC and led by designated representatives from across the Group. Steering committees, inclusive of sector representation, will be tasked with developing Group-level roadmaps for these verticals. Subsequently, based on materiality considerations, Group-level ambitions will be cascaded down to the sector level.

A detailed description of the governance framework and the ambitions specified at a Group level are contained in the Sustainability Governance section of the report.



Process followed to identify material topics

To ensure relevance and strategic alignment, the material topics that emerged from this prior process were revisited and additionally assessed against the Group's risk matrix. This enabled a more refined and prioritised set of topics to be reflected in the 2024/25 Annual Report, ensuring the Group's sustainability disclosures continue to address the most significant and emerging issues across its operations and stakeholder landscape.



High
1. Business Conduct and Ethics
2. Corporate Governance
3. Health & Safety
4. GHG Emissions
5. Human Rights
6. Diversity and Equal Opportunity
7. Waste Management/Packaging
8. Talent Attraction and Retention
9. Risk Management
10. Water and Wastewater Management
11. Privacy and Data Security
12. Economic Performance and Value Creation

Medium

13. Transparency in Disclosures
14. Stakeholder Relationship Management
15. Product Safety and Quality

Low

16. Supply Chain Management
17. Tax Strategy
18. Community Relations and Welfare
19. Biodiversity

Material Topics	GRI Disclosures	Change Compared to FY 24
Business Conduct & Ethics (Aligned to identified Group's risks)	GRI 2	No change
Corporate Governance	GRI 2	No change
Risk Management (Aligned to identified Group's risks)	2-24, 403-2	No change
Occupational Health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	No change
Diversity and Equal Opportunity	2-7, 2-8, 202-1, 202-2, 404-1, 404-2, 404-3, 405-1, 405-2	No change
Human Rights	2-23, 407-1, 408-1, 409-1	↑
Talent Attraction & Retention (Aligned to identified Group's risks)	202-1, 202-2, 401-1, 401-2, 401-3, 402-1, 404-1, 404-2, 404-3, 406 - 1	No change
GHG Emissions	302-1, 302-3, 302-4 ,305-1, 305-2, 305-4, 305-5, 305-6	No change
Waste Management and Packaging	306-1, 306-2, 306-3, 306-4, 306-5	No change
Water and Wastewater Management	303-1, 303-2, 303-3, 303-4, 303-5	No change
Privacy and Data Security (Aligned to identified Group's risks)	418-1	↑
Economic Performance and Value creation (Aligned to identified Group's risks)	201-1, 201-2, 201-3, 201-4	↑
Transparency and Disclosures	201-1, 201-2, 201-3, 205-3, 206-1, 207-1, 207-2, 207-3	
Stakeholder Relationship Management	2-6, 2-9, 2-10, 2-12, 2-15, 2-16, 2-20, 2-23, 2-24, 2-25, 2-29, 204-1, 207-3, 413-1	
Product Safety and Quality	416-1, 417-1, 417-2, 417-3	
Supply Chain Management	2-6, 204	
Tax Strategy	207-1, 207-2, 207-3, 207-4	
Community Relations and Empowerment	203-1, 204-1, 413-1	
Biodiversity	304-1, 304-3	

A detailed description of the strategies and approaches adopted by the Group in managing its material topics are contained in the management approach in each of the capital sections.

In defining report content, the Group prioritises material impacts based on their relative importance to internal and external stakeholders which is summarised in the ensuing section.

Management of Key Material Topics

1. Business Conduct and Ethics

Ethical business conduct is fundamental to building trust with stakeholders, ensuring regulatory compliance, and maintaining a company's reputation and license to operate.

Potential Negative Impacts (if not well managed):

- Legal or regulatory action due to non-compliance with anti-corruption, data privacy, or competition laws.
- Reputational damage from unethical decisions or actions.
- Loss of investor and customer confidence.
- Decreased employee morale or increased turnover due to perceived unfairness or misconduct.

Actual Positive Impacts:

- Enhanced stakeholder trust and brand value.
- Improved employee engagement and retention.
- Increased attractiveness to responsible investors and business partners.
- Better risk management and long term value creation.

How the Group manages the topic

Refer Corporate Governance Commentary

2. Corporate Governance

Effective corporate governance is essential for ensuring accountability, safeguarding stakeholder interests, managing risks, and maintaining regulatory compliance. The Group considers this topic material due to its direct influence on long term business performance, risk management, and the integrity of operations.

Potential Negative Impacts (if not well managed):

- Reputational damage and diminished stakeholder trust due to lack of transparency or accountability.
- Legal or regulatory sanctions/penalties resulting from non-compliance or governance failures.
- Increased vulnerability to unethical practices, fraud, or financial mismanagement.
- Strategic misalignment or lack of effective risk oversight.

Actual Positive Impacts:

- Strengthened investor confidence and access to capital.
- Better risk identification and mitigation.
- Enhanced decision-making and strategic alignment.
- Improved reputation and stakeholder relationships.
- Sustainable long term value creation.

How the Group manages the topic

Refer Corporate Governance Commentary: Board oversight (Page 235), Governance framework (Page 233), Internal Audit, Risks and Controls (Page 244)

3. Risk Management

Effective risk management is critical to Group resilience, sustainable growth, and stakeholder trust. In a rapidly evolving external environment shaped by macroeconomic volatility, climate risks, regulatory changes, cybersecurity threats, and shifting stakeholder expectations, the Group must anticipate, assess, and manage risk proactively.

Potential Negative Impacts (if not well managed):

- Business interruption or financial loss due to unanticipated events (e.g., supply chain disruption, cyberattack).
- Reputational damage arising from ESG-related controversies or risk oversight failures.
- Legal consequences due to non-compliance with risk-related regulatory requirements.
- Strategic setbacks and operational disruptions due to misjudged market or operational risks.

Actual Positive Impacts:

- Increased resilience and agility in responding to uncertainties.
- Enhanced stakeholder confidence and investor trust.
- Improved decision-making and resource allocation.
- Stronger long term sustainability and competitive advantage.

How the Group manages the topic

Refer Risk Management (Page 257), Board Oversight (Page 235)

4. Occupational Health & Safety

The Group considers this topic material due to its duty of care to its workforce, its regulatory obligations, and the importance of maintaining a safe, productive, and engaged work environment.

Actual Negative Impacts:

- Work-related injuries, or fatalities affecting workers and their families. Increased numbers of incidents reported in 2024/25.

Potential Negative Impacts (if not well managed):

- Regulatory penalties and legal liabilities due to non-compliance with OHS legislation.
- Disruptions to operations due to accidents or unsafe conditions.
- Reputational damage and loss of employee trust and morale.

Potential Positive Impacts:

- Reduced work related incidents.
- Reduced absenteeism, turnover, and health-related costs.
- Improved worker well-being, satisfaction, and productivity.

How the Group manages the topic

Refer: Human Capital (Page 86)
Considered as one of the pillars in the Group's ESG strategy framework. Short, Medium and long term ambitions have been established and are addressed through the Group's H&S steering committee

5. Diversity and Equal Opportunity

A diverse and inclusive workforce fosters innovation, improves decision-making, and enhances employee engagement. The Group considers this topic material due to its importance to employee well-being, stakeholder expectations, brand reputation, and compliance with human rights and labour standards.

Potential Negative Impacts (if not well managed):

- Workplace discrimination or bias leading to employee dissatisfaction or turnover.
- Reputational damage due to perceived inequity or lack of inclusivity.
- Legal consequences.
- Missed opportunities in attracting top talent and serving diverse markets.

Actual Positive Impacts:

- Improved employee satisfaction, engagement, and retention.
- Stronger brand and reputation among potential employees, peers, customers, partners, and investors.
- Enhanced competitiveness in diverse markets.

How the Group manages the topic

Refer: Human Capital (Page 86)
Considered as one of the pillars in the Group's ESG strategy framework. Short, medium and Long term Group level goals have been established. Milestone plan is currently under development by the assigned Group level steering committee.

6. Human Rights

Respecting human rights is a core expectation of responsible business conduct and is embedded in global frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the ILO Core Conventions. This topic is material because it directly impacts the dignity, safety, and well-being of people connected to the Group and is closely monitored by investors, regulators, consumers, and civil society.

Potential Negative Impacts (if not well managed):

- Human rights violations in the workplace or supply chain (e.g., forced labour, discrimination, unsafe working conditions).
- Legal liabilities or non-compliance with international labour and human rights standards.
- Reputational harm and loss of stakeholder trust.

Actual Positive Impacts:

- Strengthened trust and credibility among stakeholders.
- Improved labour relations and supply chain resilience.
- Alignment with international standards and expectations.

How the Group manages the topic

Refer: Human Capital, Management Approach (Page 96), Grievance handling (Page 91), Social and Relationship Capital (Page 94)

"To ensure relevance and strategic alignment, the material topics that emerged from this prior process were revisited and additionally assessed against the Group's risk matrix. This enabled a more refined and prioritised set of topics to be reflected in the 2024/25 Annual Report, ensuring the Group's sustainability disclosures continue to address the most significant and emerging issues across its operations and stakeholder landscape."

7. Greenhouse Gas Emissions

GHG emissions and energy use are key drivers of climate change and managing them is essential for the Group's environmental responsibility, compliance, and long term business resilience. Stakeholders, including investors, customers, regulators, and the public increasingly expect entities to reduce their carbon footprint and transition to low-carbon energy sources.

Actual Negative Impacts:

- Increased operating costs due to energy inefficiency or reliance on fossil fuels.
- Emissions of CO2 and other pollutants negatively impacting the environment.

Potential Negative Impacts (if not well managed):

- Reputational harm and reduced competitiveness if climate concerns are not addressed.
- Physical risks to operations due to climate change.

Actual Positive Impacts:

- Reduced carbon footprint and improved environmental performance.
- Enhanced investor confidence and access to climate-related funding or incentives.
- Long term cost savings through energy efficiency and renewable energy adoption.

How the Group manages the topic

Refer: Natural Capital (Page 68)
Considered as one of the pillars in the Group's ESG strategy framework. Long term Group level goal has been established. Milestone plan is currently under development by the assigned Group level steering committee.

8. Waste Management

As local and global concern grows over pollution, resource scarcity, and climate change, organisations are increasingly expected to reduce their waste footprint and contribute to a circular economy. This topic is material to the Group because of its operational footprint, stakeholder expectations (including regulators, customers, and communities), and its commitment to environmental sustainability.

Potential Negative Impacts (if not well managed):

- Environmental pollution.
- Health and safety hazards for workers and surrounding communities.
- Legal fines and penalties for non-compliance with waste regulations.
- Reputational damage due to unsustainable disposal practices.

Actual Positive Impacts:

- Cost savings through efficient waste reduction, reuse, and recycling.
- Enhanced brand reputation and alignment with customer and investor expectations.
- Compliance with evolving environmental regulations and standards.

How the Group manages the topic

Refer: Natural Capital Review, Waste management (Page 75)
Considered as one of the pillars in the Group's ESG strategy framework.
Long term Group level goal has been established. Milestone plan is currently under development by the assigned Group level steering committee

9. Water and Wastewater Management

Water is a vital resource for both operations and ecosystems. This topic is material because it affects the Group's operational continuity, legal compliance, environmental footprint, and reputation, especially in areas where water availability is limited or where discharges impact local ecosystems or communities.

Potential Negative Impacts (if not well managed):

- Depletion of local water sources, impacting communities and ecosystems.
- Pollution from untreated or inadequately treated wastewater discharges.
- Legal and regulatory penalties for non-compliance with water quality standards.
- Reputational risks associated with water misuse or water-related conflicts.

Actual Positive Impacts:

- Improved operational efficiency through reduced water consumption.
- Cost savings due to efficiently managed consumption
- Increased resilience to climate-induced water stress or shortages.

How the Group manages the topic

Refer: Natural Capital Review, Water and Effluent (Page 74)
Considered as one of the pillars in the Group's ESG strategy framework.
Long term Group level goal has been established. Milestone plan is currently under development by the assigned Group level steering committee

10. Privacy and Data Security

As organisations increasingly rely on digital systems to store and process personal and sensitive information, the risk of data breaches, cyberattacks, and misuse of personal information grows. This topic is material due to the Group's digital footprint, its responsibility to customers, employees, and partners, and the significant financial and reputational risks associated with lapses in data protection or cybersecurity.

Potential Negative Impacts (if not well managed):

- Data breaches resulting in the theft or loss of sensitive personal or commercial information.
- Regulatory fines and penalties under laws such as GDPR or local data protection acts.
- Reputational damage and loss of customer trust.
- Disruption of operations due to cyberattacks or system failures.

Actual Positive Impacts:

- Enhanced customer trust and brand reputation.
- Compliance with global and local data protection regulations.
- Business continuity and resilience through robust cybersecurity systems.

How the Group manages the topic

Refer: Risk Management, Information technology (Page 125)
Intellectual Capital Review (Page 111)
Corporate Governance Commentary, Data protection Information management and adoption (Page 273)
Operating Environment - Cyber risks, data protection and internal Controls (Page 49)

11. Economic Performance and Value Creation

Strong economic performance underpins an organisation's long term viability, its ability to invest in innovation, employee well-being, environmental initiatives, and its broader societal responsibilities. It is also closely monitored by shareholders, regulators, and communities for indicators of business health, resilience, and contribution to inclusive growth. This topic is material because it reflects the Group's core financial sustainability, supports other ESG objectives, and directly influences stakeholder trust, capital attraction, and strategic decision-making.

Potential Negative Impacts (if not well managed):

- Loss of investor confidence due to weak financial performance or lack of transparency.
- Reduced investment capacity, including the ability to invest in people, sustainability, and innovation.
- Social and economic strain in communities dependent on the Group's activities.
- Challenges in financing and access to capital markets.
- Potential job losses or wage reductions in times of economic downturn.

Actual Positive Impacts:

- Consistent returns to shareholders and financial growth.
- Job creation and local economic stimulation.
- Increased investment research, sustainability, and social impact initiatives.
- Enhanced reputation and stakeholder confidence.
- Lower cost of capital.
- Improved competitive advantage.

How the Group manages the topic

Refer: Operating Environment (Page 43)
Financial and Manufactured Capital Review (Page 53)
Industry Group Reviews (Page147)
Group Strategy, Resource allocation and Portfolio management (Page 129)

GOING ALL THE WAY

FINANCIAL STATEMENTS

INDEX TO THE FINANCIAL STATEMENTS

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in presenting the 46th Annual Report of your Company which covers the Audited Financial Statements, Chairperson's Message, Corporate Governance Commentary, Management Discussion and Analysis, including Industry Group Reviews, and all the other relevant information for the year ended 31 March 2025. Disclosures which appear in the Share Information section form an integral part of the Annual Report of the Board of Directors and have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.

The Management is of the opinion that the Company, along with its subsidiaries, associates, and joint ventures, possesses adequate resources to continue operations for the foreseeable future. This assessment is supported by the ongoing implementation of risk mitigation initiatives, consistent monitoring of business continuity and response plans at the business unit level, and the overall financial strength of the Group. The Group's outlook is presented on page 118 of the Annual Report.

FINANCIAL STATEMENTS

Financial Statements of the Company and Group for the year ended 31 March 2025, which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) with the inclusion of the signatures of the Chairperson, Deputy Chairperson/ Group Finance Director and Group Financial Controller, are given as a part of the Integrated Annual Report.

John Keells Holdings PLC

For the year ended 31 March **In Rs.'000s**	2025	2024
Profit After Tax	3,518,343	4,252,313
Other Adjustments	29,460	(45,847)
Balance brought forward from the previous year	103,183,160	101,114,527
Amount available for appropriation	106,730,963	105,320,993
Interim dividends of Rs.0.10 per share (2024-Rs.1.00) paid out of dividend received	(1,707,265)	(1,388,015)
Final dividend declared Rs.0.05 (2024-Rs.0.50)	(881,417)	(749,818)
Balance to be carried forward to the next year	104,142,281	103,183,160

PRINCIPAL ACTIVITIES

John Keells Holdings PLC (the Company), the Group's Holding Company, manages a portfolio of holdings consisting of a range of diverse business operations, which, together, constitute the John Keells Group (the Group), and provides function-based services to its subsidiaries, joint ventures and associates.

The companies within the Group and its business activities are described in the Group Directory under the Supplementary Information section of the Annual Report.

There were no significant changes to the principal activities of the Company or its subsidiaries during the year.

CORPORATE VISION AND VALUES

A culture of innovation, integrity, excellence, caring and trust has been developed within the Group. By being aligned with these values the Directors and employees conduct their activities to achieve the vision, "Building businesses that are leaders in the region".

REVIEW OF BUSINESS SEGMENTS

A review of the financial and operational performance and future business developments of the Group, sectors, and its business units are described in the Management Discussion and Analysis section of the Annual Report. Significant changes to business combinations and acquisition of non-controlling interests are provided in Note 10 to the Financial Statements. These reports, together with the audited financial statements, reflect the state of affairs of the Company and the Group. The segment-wise contribution to Group revenue, results, assets and liabilities are provided in Note 8 to the Financial Statements.

FINANCIAL RESULTS AND APPROPRIATIONS

Accounting Policies

All the material accounting policies adopted by the Company and Group are provided in the Notes to the Financial Statements. There have been no significant changes in the accounting policies adopted by the Group during the year under review. For all periods up to and including the year ended 31 March 2025, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Revenue

Revenue generated by the Company amounted to Rs.3,180 Mn (2024 – Rs.2,916 Mn), whilst Group revenue amounted to Rs.317,378 Mn (2024 – Rs.280,773 Mn). Contribution to Group revenue, from the different business segments, is provided in Note 8 to the Financial Statements.

Profit and Appropriations

The profit after tax of the Company was Rs.3,518 Mn (2024 – Rs.4,252 Mn) whilst the Group profit attributable to equity holders of the parent for the year was Rs.5,326 Mn (2024 - Rs.11,248 Mn).

The Company's total comprehensive income net of tax was Rs.2,473 Mn (2024 - Rs.3,302 Mn), and the Group total comprehensive income attributable to the parent was Rs.6,231 Mn (2024 - Rs.6,553 Mn).

Dividend and Reserves

As required by Section 56(2) of the Companies Act No 7 of 2007, the Board of Directors have confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No 7 of 2007, and has obtained certificates from the auditors, prior to declaring all dividends.

A final dividend will be paid on or before 25 June 2025 to those shareholders on the register as of 6 June 2025.

CAPITAL EXPENDITURE

The Company's and Group's additions to property, plant and equipment amounted to Rs.24 Mn (2024 - Rs.23 Mn) and Rs.47,052 Mn (2024 - Rs.35,773 Mn), respectively, and all other related information and movements have been disclosed in Note 22 to the Financial Statements.

Additions of intangible assets of the Company and Group during the year amounted to Rs.2,780 (2024 - Nil) and Rs.10,494 Mn (2024 - Rs.1,523 Mn), respectively, and all other related movements are disclosed in Note 25 to the Financial Statements.

VALUATION OF LAND, BUILDINGS AND INVESTMENT PROPERTIES

All land and buildings except for the buildings on leasehold land located in Maldives owned by Group companies were revalued as at 31 December 2024 and the carrying value amounted to Rs.281,844 Mn (2024 - Rs.113,313 Mn). This increase is mainly due to the transfer of land and building from work in progress relation to Waterfront Properties (Pvt) Ltd amounting to Rs.167,000 Mn. All information related to revaluation is given in Note 22.3 to the Financial Statements.

Investment properties of business units, when significantly occupied by Group companies, are classified as property, plant and equipment in the consolidated financial statements in compliance with LKAS 40.

The Group revalued all its investment properties as at 31 December 2024, and the carrying value amounted to Rs.31,382 Mn (2024- Rs.31,519 Mn). All information related to revaluation of the investment properties is provided in Note 24 to the Financial Statements.

Details of the Group's real estate portfolio as at 31 March 2025 are disclosed in the Group Real Estate Portfolio within the Supplementary Information section of the Annual Report. .

INVESTMENTS

Detailed description of the long term investments held as at the reporting date is given in Notes 26, 27 and 28 to the Financial Statement.

STATED CAPITAL

Stated Capital as at 31 March 2025 of the Company amounted to Rs.132,512 Mn (2024 - Rs.90,602 Mn). The movement and composition of the Stated Capital is disclosed in the Statement of Changes in Equity and in Note 34.1 to the Financial Statements.

REVENUE RESERVES

Revenue reserves as at 31 March 2025 for the Company and Group amounted to Rs.105,006 Mn (2024 - Rs.103,933 Mn) and Rs.134,041 Mn (2024 - Rs.130,812 Mn), respectively. The movement of the revenue reserve is disclosed in the Statement of Changes in Equity.

SHARE INFORMATION

The distribution and composition of shareholders and the information relating to earnings, dividends, net assets, market value per share and share trading is given in the Share Information section of the Annual Report. As additional disclosures, the Share Information section of the Annual Report includes details of employee share option plans (ESOPs) available as at 31 March 2025, market capitalisation, public holding percentage, and the number of public shareholders. Additionally, details on the Rights Issue, Sub-division of shares, and the conversion of the balance convertible debentures of HWIC Asia Fund (HWIC) are also disclosed.

MAJOR SHAREHOLDERS

Details of the twenty largest shareholders of the Company and the percentages held by each of them are disclosed in the Share Information section of the Annual Report.

EQUITABLE TREATMENT OF SHAREHOLDERS

The Company has at all times ensured that all shareholders are treated equitably.

THE BOARD OF DIRECTORS

The Board of Directors of the Company as at 31 March 2025 and their brief profiles are given in the Corporate Governance section of the Annual Report.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Retirement and Re-Election of Directors of the Company as at 31 March 2025 are detailed below and also included in the Notice of Meeting and Proxy Form.

Members proposed for re-election and contract renewal	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees and other principal commitments	Any other relationships*
Mr. J G A Cooray (Article 84)	Executive Director	05.11.2016	24.06.2022	The details are provided in the Board and Management Profiles, Corporate Governance Commentary sections of this Annual Report.	-
Mr. D V R S Fernando (Article 84)	Independent Non-Executive Director	09.08.2023	28.06.2024		-
Mr. H M A Jayesinghe (Article 91)	Independent Non-Executive Director	01.07.2024	-		-
Ms. R Shukla (Article 91)	Independent Non-Executive Director	01.07.2024	-		-

* Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per cent (10%) of the shares of the Listed Entity.

REVIEW OF THE PERFORMANCE OF THE BOARD

The performance of the Board has been appraised through a formalised process, where each individual Director anonymously comments on the dynamics of the Board. The process is described in the Corporate Governance Commentary section of the Annual Report.

BOARD COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and Project Risk Assessment Committee, including reports of each of the Committees, where applicable, and the attendance of Directors for each of the Committee meetings, are disclosed in the Corporate Governance Commentary section of the Annual Report.

INTERESTS REGISTER AND INTERESTS IN CONTRACTS

The Company has maintained an Interests Register as contemplated by the Companies Act No 7 of 2007.

This Annual Report also contains particulars of entries made in the Interests Registers of subsidiaries which are public companies or private companies that have not dispensed with the requirement to maintain an Interests Register as permitted by Section 30 of the Companies Act No 7 of 2007.

The Directors have all made general disclosures relating to share dealings and indemnities and remuneration to the Board of Directors as permitted by Section 192 (2) of the Companies Act No 7 of 2007 and no additional interests have been disclosed by any Director. The Interest Register is available at the registered head office of the Company, in keeping with the requirements of section 119 (1) (d) of the Companies Act No 7 of 2007.

SHARE DEALINGS

Other than for the following entries, particulars of the Company interest register are disclosed in the Share Information section of the Annual Report.

John Keells Holdings PLC

- K N J Balendra (Director) - Purchase of 450,000 shares (before sub-division of shares)
- K N J Balendra (Director) - Purchase of 4,510,637 shares (after sub-division of shares)
- J G A Cooray (Director) - Purchase of 430,000 shares (before sub-division of shares)
- J G A Cooray (Director) - Sale of 2,500,000 shares (after sub-division of shares)
- D V R S Fernando (Director) - Purchase of 15,000 shares (before sub-division of shares)
- D V R S Fernando (Director) - Sale of 8,500 shares (before sub-division of shares)

Purchase of the Company shares by Directors (including their spouses) pursuant to the Rights Issue,

- K N J Balendra (Director) - Number of Rights Exercised - 1,136,439
- J G A Cooray (Director) - Number of Rights Exercised - 63,858
- D A Cabraal (Director) - Number of Rights Exercised - 25,013
- D A Cabraal (Director) - Number of additional shares - 1,553
- D V R S Fernando (Director) - Number of Rights Exercised - 4,340
- H M A Jayesinghe (Director) - Number of Rights Exercised - 4,778

Given below are the particulars of' share dealings of subsidiaries reported, for subsidiaries which are public companies, or private companies, which have not dispensed with the requirement to maintain an interest register for the period from 1 April 2024 to 31 March 2025.

Ceylon Cold Stores PLC

- S T Ratwatte (Director) – Purchase of 13,220 shares

Trans Asia Hotels PLC

- N L Gooneratne (Director) – Sale of 299,838 shares

INDEMNITIES AND REMUNERATION

The Board approved the payment of remuneration of the following Executive Directors for the period from 1 April 2024 to 31 March 2025 comprising of;

- A fixed element
- A short term variable incentive based on the individual performance, organisation performance and role responsibility based on the results of the financial year 2023/2024, and
- A long term incentive plan including employee share options in John Keells Holdings PLC.

John Keells Holdings PLC

- K N J Balendra
- J G A Cooray

Ceylon Cold Stores PLC

- D P Gamlath
- P N Fernando

Cinnamon Hotel Management Ltd

- M H Singhawansa

Walkers Tours Ltd

- I N Amaratunga

All approvals relating to indemnities and remuneration have been recommended by the Human Resources and Compensation Committee, taking into consideration inputs from market surveys, expert opinions and the specific management complexities associated with the John Keells Group and in keeping with the Group remuneration policy.

The contracts and standard director fees of the following Non-Executive Directors have been approved / renewed by the Board. The directors' fees are commensurate with the market complexities associated with the Group.

John Keells Holdings PLC

- D A Cabraal
- H M A Jayesinghe (appointed w.e.f 1 July 2024)
- R Shukla (appointed w.e.f 1 July 2024)

Asian Hotels & Properties PLC
- A S De Zoysa
- J Durairatnam
- A Nanayakkara

Ceylon Cold Stores PLC
- S Kanag-Isvaran (appointed w.e.f 19 June 2024)
- R N K Fernando (appointed w.e.f 19 June 2024)
- H A J De Silva Wijeyeratne (appointed w.e.f 1 January 2025)

John Keells PLC
- N W R Wijewantha (appointed w.e.f 1 July 2024)
- P D Samarasinghe (appointed w.e.f 1 January 2025)

John Keells Hotels PLC
- A Goonetilleke (appointed w.e.f 1 January 2025)

Tea Smallholders Factories PLC
- P P Edirisinghe (appointed w.e.f 26 June 2024)
- S W F Jameel (appointed w.e.f 26 June 2024)
- C S Hettiarachchi (appointed w.e.f 2 August 2024)

Trans Asia Hotels PLC
- H A J De Silva Wijeyeratne
- N L Gooneratne
- C P R Perera (appointed w.e.f 1 January 2025)

Union Assurance PLC
- S Appleyard

Fees payable to nominees of John Keells Holdings PLC appointed to the subsidiary public listed companies was paid to John Keells Holdings PLC and not to the individual Directors.

During the 2024/2025 financial year,

- A N Fonseka, Independent Non-Executive Director retired from the Board of John Keells Holdings PLC w.e.f 1 July 2024.
- M Hamza, retired from the Board of Ceylon Cold Stores PLC w.e.f 19 June 2024 and had a relevant interest in 11,000 shares of the company.
- K D Weerasinghe, Non-Independent Non-Executive Director, retired from the Board of John Keells PLC w.e.f 30 June 2024.
- A S Jayathileke and S K L Obeyesekere, Independent Non-Executive Directors retired from the Board of Tea Smallholder Factories PLC w.e.f 26 June 2024.
- E H Wijenaike, Non-Independent Non-Executive Director resigned from the Board of Tea Smallholder Factories PLC w.e.f 31 July 2024.

DIRECTORS' REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out in Note 44.7 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties, given in Note 44 to the Financial Statements, have complied with the Colombo Stock Exchange Listing Rule 9.14 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

EMPLOYEE SHARE OPTION PLAN (ESOP)

At the beginning of the year, the employee share option plan consisted of the Tenth and Eleventh plans approved by the shareholders on 28 June 2019 and 24 June 2022, respectively.

The Directors confirm that the Company has implemented the employee share option scheme in accordance with the Listing Rules of the Colombo Stock Exchange and in line with shareholder approval. The process adopted by the Group for the recognition and measurement of share-based payment transactions, as well as the implementation of the plans in accordance with the rules set out in the plan and the specific resolution passed at the General Meeting, also forms part of the Auditor's review process.

Further, the Directors confirm that the Company has not granted any funding to employees to exercise options. Details of the options granted, options exercised, the grant price and the options cancelled or lapsed and outstanding as at the date of the Directors' Report, as required by the Listing Rules of the Colombo Stock Exchange, are given in the Share Information section of the Annual Report.

The highest, lowest and the closing prices of the Company shares are disclosed in the Share Information section of the Annual Report.

EMPLOYMENT

The Group has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. Employee ownership in the Company is facilitated through the employee share option plan.

Details of the Group's human resource initiatives are detailed in the Human Capital section of the Capital Management Review section of the Annual Report.

The number of persons employed by the Company and Group as at 31 March 2025 was 230 (2024 - 163) and 18,342 (2024 - 15,314), respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

EQUITY & INCLUSION POLICY

The Group recognises the importance of diversity, equity and inclusion and the role it plays in ensuring workplace respect, organisational success and sustainability for all stakeholders. In this regard, it is committed to providing a working environment where all employees are included, their diversity is embraced and where their contributions are valued. The Group believes that its workforce should reflect the diversity of the communities in which its businesses operate and the diverse set of stakeholders it creates value for, within the organisation and with its partners and vendors, and that positive relationships with stakeholder groups, which are also diverse and inclusive, will enable businesses to further augment its diversity and growth journey.

The Group recognises that organisations which constitute diverse and inclusive workforces are best placed to innovate, retain talent and deliver better overall results and firmly believes that it can achieve its highest potential through bringing together diverse perspectives and backgrounds. It is committed to advancing a culture of equitable inclusion amongst its workforce and value chain, ensuring that the dignity and diversity of all employees and value chain partners are respected.

SUPPLIER POLICY

The Group applies an overall policy of agreeing and clearly communicating the terms of payment as part of the commercial agreements negotiated with suppliers, and endeavours to pay for all items in accordance with these agreed terms. As at 31 March 2025, the trade and other payables of the Company and Group amounted to Rs.538 Mn (2024 - Rs.1,464 Mn) and Rs.66,727 Mn (2024 - Rs.42,583 Mn), respectively.

The Group strives to integrate principles of sustainable practices and policies in its value chain through extensive stakeholder consultations, the findings of which are integrated into work-plans.

RATIOS AND MARKET PRICE INFORMATION

The ratios relating to listed equity, debt and market price information, as required by the listing requirements of the Colombo Stock Exchange, are given under the Share Information section of this Report.

CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance Framework by implementing systems and structures required to ensure best practices in Corporate Governance. The manner in which the Company has complied with Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance are given in the Corporate Governance section of this Report.

SUSTAINABILITY

The Group pursues its business goals based on a model of stakeholder governance. Findings of the continuous internal stakeholder engagements have enabled the Group to focus on material issues such as the conservation of natural resources and the environment as well as material issues highlighted by other stakeholders such as employees, customers, suppliers and the community. These steps have been encapsulated in a Group-wide strategy focused on sustainable development which continuously evolves based on the above mentioned stakeholder engagements.

This is the Group's tenth Integrated Annual Report, which presents a comprehensive discussion on its financial and non-financial performance in a bid to provide its stakeholders with holistic information relating to its value creation proposition through the six forms of capital reported under the International Framework. The Group has sought independent third-party assurance from DNV, represented in India by DNV Business Assurance India (Private) Limited, in relation to the non-financial information contained in this report.

To align with SLFRS S1 and S2, the local standards introduced by CA Sri Lanka for sustainability-related financial disclosures and climate-specific disclosures, the Group partnered with an external consultant with international expertise to perform a comprehensive gap analysis across both Group and sector-level teams. This initiative ensures readiness to meet the CSE's reporting requirements for 2025/26. The standards are effective from 1 January 2025.

RESEARCH AND DEVELOPMENT

The Group has an active approach to research and development and recognises the contribution that it can make to intellectual property and the Group's operations. Significant expenditure has taken place over the years and substantial efforts will continue to be made to introduce intellectual property rights, develop new products and processes and improve the operational efficiency of existing products and processes.

ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations and endeavours to comply with best practices applicable in the country of operation.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

John Keells Foundation, which is funded by JKH and its subsidiaries, handles most of the Group's CSR initiatives and activities. The Foundation manages a range of programmes that underpin its key principle of acting responsibly towards its stakeholders and to bring about sustainable development in the focus areas. The CSR initiatives, including completed and on-going projects, are detailed in the Group Consolidated Review section in the Annual Report.

In quantifying the Group's contribution to CSR initiatives and activities, no account has been taken of in-house costs or management time.

DONATIONS

Total donations made by the Company and the Group during the year amounted to Nil (2024 - Nil) and Rs.64 Mn (2024 - Rs.43 Mn), respectively. These amounts do not include contributions on account of corporate social responsibility (CSR) initiatives.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of, and in respect of, the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the statement of financial position date have been paid or, where relevant, provided for, except as specified in Note 45 to the Financial Statements covering contingent liabilities.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the knowledge and belief of the Directors, the Company and the Group have not engaged in any activity which contravenes laws and regulations of the country.

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risk faced by the Group, where quarterly risk reviews are conducted by the Enterprise Risk Management division with the Group Executive Committee. In addition, each business unit carries out quarterly reviews of its specific risk with one review per year conducted jointly with the Enterprise Risk Management division to ensure alignment. The headline risks of each listed Company are presented by the Business Unit to its respective Audit Committee for review and in the case of John Keells Holdings PLC, by the Enterprise Risk Management division to the John Keells Holdings PLC Audit Committee.

The Corporate Governance section of this Report elaborates on these practices and the Group's risk factors.

INTERNAL CONTROLS AND ASSURANCE

The Board, through the involvement of the Group Business Process Review division, takes steps to gain assurance on the effectiveness over the financial, operational and risk management control systems in place. The Audit Committee receives regular reports on the adequacy and effectiveness of internal controls in the Group, compliance with laws and regulations and established policies and procedures of the Group. The head of the Group Business Process Review division has direct access to the Chairperson of the Audit Committee. Reports of the outsourced internal auditors are also reviewed by the Committee.

EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to the reporting period, which would have any material effect on the Company or on the Group other than those disclosed in Note 48 to the Financial Statements.

GOING CONCERN

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Groups' ability to continue to operate as a going concern. The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

APPOINTMENT AND REMUNERATION OF INDEPENDENT AUDITORS

Messrs. Ernst & Young, Chartered Accountants, are willing to continue as Auditors of the Company, and a resolution proposing their reappointment will be tabled at the Annual General Meeting.

The Independent Auditors' Report is found in the Financial Statements section of the Annual Report. The Audit Committee reviews the appointment of the Auditor, effectiveness, independence and relationship with the Group, including the level of audit and non-audit fees paid to the Auditor.

The Group works with 3 firms of Chartered Accountants across the Group, namely, Ernst & Young, KPMG and Deloitte Partners. Details of audit fees are set out in Note 18 to the Financial Statements. The Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

INTEGRATED ANNUAL REPORT

The Board of Directors approved the consolidated financial statements on 27 May 2025. The requisite number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

ANNUAL GENERAL MEETING

The Notice of Meeting of the Annual General Meeting appears in the Supplementary Information section of the Annual Report.

EXTRAORDINARY GENERAL MEETING

A Notice has been dispatched to convene an Extraordinary General Meeting for the purpose of considering and if thought fit, to pass the Special Resolution to approve Plan 12 of the Company's employee share option scheme.

This Annual Report is signed for and on behalf of the Board of Directors.

By Order of the Board

Director

Director

Keells Consultants (Pvt) Ltd
Secretaries
27 May 2025

THE STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors in relation to the financial statements is set out in the following statement. The responsibility of the auditors, in relation to the financial statements prepared in accordance with the provision of the Companies Act No. 7 of 2007, is set out in the Report of the Auditors.

The financial statements comprise of:

- income statement and statement of comprehensive income of the Company and its subsidiaries, which present a true and fair view of the financial performance of the Company and its subsidiaries for the financial year; and
- a statement of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year: and

The Directors are required to confirm that the financial statements:

have been prepared:

- using appropriate accounting policies which have been selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained; and

are

- presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS); and that reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected; and
- provide the information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are also required to ensure that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and of the Group.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections that may be considered being appropriate to enable them to give their audit opinion.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution, in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the auditors, prior to declaring all dividend. A final dividend will be paid on or before 25 June 2025 to those shareholders on the register as of 6 June 2025.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid, or where relevant provided for, except as specified in Note 45 to the Financial Statements covering contingent liabilities.

By order of the Board

Keells Consultants (Pvt) Ltd
Secretaries
27 May 2025

INDEPENDENT AUDITOR'S REPORT

EY
Shape the future with confidence

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Chartered Accountants
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To the Shareholders of John Keells Holdings PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of John Keells Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025 , and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of Land and Buildings Property, Plant and Equipment and Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to: • The materiality of the reported fair value of land and buildings which amounted to Rs. 302 Bn representing 36% of the Group's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach, income approach and depreciated replacement cost approach.	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuers engaged by the Group. • Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property We also assessed the adequacy of the disclosures made in Notes 22 and 24 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 22 and 24 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: • Estimate of per perch value of the land • Estimate of the per square foot value of the buildings • Market rent per square foot, occupancy rates and yield.	
Life insurance contract liabilities Life Insurance Contract Liabilities amounting to Rs. 83 Bn represent 19% of total liabilities of the Group as at 31 March 2025 and are determined based on an actuarial valuation as described in Note 36 to the financial statements. This was a key audit matter due to: • Materiality of the reported Life Insurance Contract Liabilities. • The degree of assumptions, judgements and estimation uncertainties associated with the actuarial valuation of Life Insurance Contract Liabilities and Liability Adequacy Test carried out to determine the adequacy of the carrying value of Life Insurance Contract Liabilities. Key assumptions used in the valuation of the Life Insurance Contract Liabilities included the mortality rate, morbidity rate, lapses ratio and surrenders rates, loss ratios, bonus, interest rates, discount rates and related claim handling expenses, as disclosed in Note 36 to the financial statements.	To assess the reasonableness of the Life Insurance Contract Liabilities, our audit procedures included the following: • Assessed the competence, capability and objectivity of the management specialist engaged by the Group. • Obtained an understanding of the liability valuation process. • Checked the completeness and accuracy of the data used in the valuation of Life Insurance Contract Liabilities by agreeing key information to source documents and accounting records. • Involved specialists to assess the reasonableness of the assumptions and appropriateness of the methods used in the actuarial valuations of Life Insurance Contract Liability and Liability Adequacy Test with reference to market data and policyholders experience. We assessed the adequacy of the disclosures in Note 36 to the financial statements
Interest Bearing Loans and Borrowings As of the reporting date, the Group reported total interest-bearing loans and borrowings of Rs. 164 Bn, of which Rs. 27 Bn is reported as current liabilities and the balance Rs. 137 Bn as non-current liabilities. Interest bearing loans and borrowings was a key audit matter due to • The materiality of the reported interest-bearing loans and borrowings balance which represents 38% of the Group's total liabilities as of the reporting date; and • The existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements.	Our audit procedures included the following key procedures: • Evaluated the design of relevant key controls implemented for recording of loans and borrowings, monitoring, evaluating and timely reporting of covenant compliances in relation to interest bearing loans and borrowings • Obtained an understanding of the terms and conditions attached to loans and borrowings, by perusing the loan agreements. • Reviewed the Management's statements of compliance with loan covenants and timely reporting and monitoring of covenant compliances in relation to interest bearing loans and borrowings and payment of the loan installments. • Obtained confirmations from financial institutions on outstanding loans and borrowings as at 31 March 2025 We assessed the adequacy and appropriateness of the disclosures made in Note 37 relating to interest bearing loans and borrowings

Other Information included in the 2024/25 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2097.

Ernst & Young

27 May 2025
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INCOME STATEMENT

		GROUP		COMPANY	
For the year ended 31 March		2025	2024	2025	2024
In Rs.'000s	Note				
Continuing operations					
Revenue from contracts with customers		296,429,366	262,338,375	3,180,195	2,916,390
Revenue from insurance contracts		20,948,360	18,434,229	-	-
Total revenue	14	**317,377,726**	**280,772,604**	**3,180,195**	**2,916,390**
Cost of sales		(253,847,025)	(225,679,501)	(1,915,569)	(1,782,895)
Gross profit		**63,530,701**	**55,093,103**	**1,264,626**	**1,133,495**
Dividend income	15	-	-	10,696,939	11,503,190
Other operating income	16.1	4,076,728	4,510,417	133,271	125,268
Selling and distribution expenses		(13,055,674)	(10,062,663)	-	-
Administrative expenses		(32,472,960)	(25,983,187)	(2,674,237)	(2,233,541)
Other operating expenses	16.2	(7,855,156)	(8,188,312)	(395,626)	(86,595)
Results from operating activities		**14,223,639**	**15,369,358**	**9,024,973**	**10,441,817**
Finance cost	17	(18,442,648)	(19,668,851)	(10,160,130)	(11,970,541)
Finance income	17	20,610,716	22,567,639	4,806,621	5,787,333
Change in insurance contract liabilities	36.2	(13,246,086)	(10,833,328)	-	-
Change in fair value of investment properties	24	956,762	450,092	-	-
Share of results of equity accounted investees (net of tax)	27.3	10,778,954	10,129,014	-	-
Profit before tax	18	**14,881,337**	**18,013,924**	**3,671,464**	**4,258,609**
Tax expense	21.1	(7,957,073)	(5,886,390)	(153,121)	(6,296)
Profit for the year		**6,924,264**	**12,127,534**	**3,518,343**	**4,252,313**
Attributable to:					
Equity holders of the parent		5,326,374	11,248,152		
Non-controlling interests		1,597,890	879,382		
		6,924,264	12,127,534		
		Rs.	Rs.		
Earnings per share					
Basic	19.1	0.32	0.69		
Diluted	19.2	0.32	0.69		
Dividend per share	20	0.60	1.50		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 306 to 396 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March In Rs.'000s	Note	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Profit for the year		6,924,264	12,127,534	3,518,343	4,252,313
Other comprehensive income					
Other comprehensive income to be reclassified to Income Statement in subsequent periods					
Currency translation of foreign operations		(264,227)	(11,608,304)	-	-
Net gain / (loss) on cash flow hedges		(1,066,578)	(921,213)	(1,066,578)	(921,213)
Net gain / (loss) on financial instruments at fair value through other comprehensive income		(167,045)	6,016,598	-	-
Share of other comprehensive income of equity accounted investees (net of tax)		451,325	(376,240)	-	-
Net other comprehensive income to be reclassified to Income Statement in subsequent periods		**(1,046,525)**	**(6,889,159)**	**(1,066,578)**	**(921,213)**
Other comprehensive income not to be reclassified to Income Statement in subsequent periods					
Net gain / (loss) on equity instruments at fair value through other comprehensive income		(8,477)	18,617	(8,485)	16,699
Profit / (loss) on disposal of equity instruments at fair value through other comprehensive income		15,822	(1,631)	-	(1,631)
Revaluation of land and buildings	22.1	2,840,491	4,497,632	-	-
Re-measurement gain / (loss) on defined benefit plans	38.2	460,095	(539,839)	29,460	(44,216)
Share of other comprehensive income of equity accounted investees (net of tax)		(38,703)	(36,663)	-	-
Net other comprehensive income not to be reclassified to Income Statement in subsequent periods		**3,269,228**	**3,938,116**	**20,975**	**(29,148)**
Tax on other comprehensive income	21.2	(958,799)	(1,109,091)	-	-
Other comprehensive income for the period, net of tax		1,263,904	(4,060,134)	(1,045,603)	(950,361)
Total comprehensive income for the period, net of tax		**8,188,168**	**8,067,400**	**2,472,740**	**3,301,952**
Attributable to :					
Equity holders of the parent		6,231,480	6,552,703		
Non-controlling interests		1,956,688	1,514,697		
		8,188,168	**8,067,400**		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 306 to 396 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
In Rs.'000s	**Note**				
ASSETS					
Non-current assets					
Property, plant and equipment	22	419,297,617	382,988,534	96,878	117,585
Right- of - use assets	23	49,279,684	48,692,617	106,839	122,286
Investment properties	24	31,382,118	31,518,824	-	-
Intangible assets	25	15,845,337	6,329,125	2,776,647	34,778
Investments in subsidiaries	26	-	-	245,371,532	217,905,867
Investments in equity accounted investees	27	61,755,491	48,151,204	28,821,438	21,541,092
Non-current financial assets	28	76,584,128	74,481,816	2,383,102	3,511,692
Deferred tax assets	21.4	1,476,180	1,716,261	-	-
Other non-current assets	29	2,985,268	3,202,936	106,285	95,240
		658,605,823	597,081,317	279,662,721	243,328,540
Current assets					
Inventories	30	38,710,499	39,305,503	-	-
Trade and other receivables	31	31,807,731	28,377,205	711,855	460,682
Amounts due from related parties	44.1	580,135	674,179	840,848	1,290,846
Other current assets	32	10,656,409	10,304,760	736,562	3,144,607
Short term investments	33	90,411,476	80,030,642	61,799,205	57,805,464
Cash in hand and at bank		15,146,008	15,417,894	495,140	556,930
		187,312,258	174,110,183	64,583,610	63,258,529
Total assets		845,918,081	771,191,500	344,246,331	306,587,069
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	34.1	132,511,513	90,602,453	132,511,513	90,602,453
Revenue reserves		134,040,852	130,812,080	105,005,639	103,933,190
Other components of equity	34.2	132,526,062	136,452,778	5,631,139	11,804,788
		399,078,427	357,867,311	243,148,291	206,340,431
Non-controlling interest		19,724,281	19,609,383	-	-
Total equity		418,802,708	377,476,694	243,148,291	206,340,431
Non-current liabilities					
Insurance contract liabilities	36	82,555,004	69,510,867	-	-
Interest-bearing loans and borrowings	37	137,120,024	127,169,502	72,926,884	55,044,493
Lease liabilities	23	27,399,695	28,080,571	101,101	109,139
Deferred tax liabilities	21.4	23,204,978	21,222,258	2,988,277	2,841,984
Employee benefit liabilities	38	3,463,465	3,590,783	330,819	326,926
Non-current financial liabilities	39	-	11,387,177	-	10,201,449
Other non-current liabilities	40	720,699	615,445	-	-
		274,463,865	261,576,603	76,347,081	68,523,991
Current liabilities					
Trade and other payables	41	66,727,203	42,582,596	538,055	1,463,935
Amounts due to related parties	44.2	541,657	448,743	96,333	88,841
Income tax liabilities	21.3	1,976,863	1,824,765	258,214	258,214
Short term borrowings	42	15,518,937	21,062,456	4,100,000	13,909,261
Interest-bearing loans and borrowings	37	26,673,221	23,216,942	14,514,447	7,670,053
Lease liabilities	23	2,632,051	3,884,003	8,038	6,961
Other current liabilities	43	7,482,902	6,668,511	22,709	21,441
Bank overdrafts		31,098,674	32,450,187	5,213,163	8,303,941
		152,651,508	132,138,203	24,750,959	31,722,647
Total equity and liabilities		845,918,081	771,191,500	344,246,331	306,587,069

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

K M Thanthirige
Group Financial Controller
The Board of Directors is responsible for these financial statements.

K N J Balendra
Chairperson

J G A Cooray
Deputy Chairperson/Group Finance Director

The accounting policies and Notes as set out in pages 306 to 396 form an integral part of these financial statements.

27 May 2025
Colombo

STATEMENT OF CASH FLOWS

For the year ended 31 March In Rs.'000s	Note	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
OPERATING ACTIVITIES					
Profit / (loss) before working capital changes	A	15,733,252	17,716,574	(1,122,570)	(826,092)
(Increase) / Decrease in inventories		782,666	919,195	-	-
(Increase) / Decrease in trade and other receivables		(3,546,278)	(9,723,231)	173,880	(366,183)
(Increase) / Decrease in other current assets		(2,935,418)	3,767,983	(308,969)	(1,470,380)
(Increase) / Decrease in non-current financial liabilities		(1,185,728)	(541,150)	-	-
Increase / (Decrease) in trade and other payables and other non-current liabilities		24,506,756	13,983,771	(918,386)	863,127
Increase / (Decrease) in other current liabilities		814,451	1,478,227	1,268	127,932
Increase / (Decrease) in insurance contract liabilities		13,044,137	10,603,557	-	-
Cash generated from operations		**47,213,838**	**38,204,926**	**(2,174,777)**	**(1,671,596)**
Finance income received		18,117,047	18,732,221	4,724,038	5,420,803
Finance costs paid		(21,943,058)	(24,784,414)	(8,665,069)	(8,619,506)
Dividend received		4,196,831	4,869,454	10,492,614	11,349,209
Tax paid		(5,717,342)	(3,982,433)	(6,843)	(767,533)
Gratuity paid		(405,001)	(288,748)	(32,190)	(3,627)
Net cash flows from operating activities		**41,462,315**	**32,751,006**	**4,337,773**	**5,707,750**
INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment		(42,167,794)	(27,943,249)	(23,608)	(22,713)
Purchase of intangible assets		(7,723,511)	(1,004,633)	(9,539)	-
Additions to investment properties	24	(22,428)	(17,349)	-	-
Increase in interest in subsidiaries		-	-	(27,436,040)	(19,584,830)
Additions to other non-current assets		(94,157)	(335,617)	-	-
Increase in interest in equity accounted investees		(7,475,566)	(5,637,340)	(7,076,021)	(5,169,612)
Proceeds from sale of property, plant and equipment and intangible assets		333,643	379,226	899	755
Proceeds from sale of investment properties		1,249,350	-	-	-
Proceeds from sale of financial instruments - fair value through profit or loss		4,456,555	2,549,829	-	-
Purchase of financial instruments - fair value through profit or loss		(5,574,095)	(3,087,823)	-	-
(Purchase) / disposal of deposits and government securities (net)		(11,061,878)	(24,767,046)	(1,366,827)	(18,432,770)
(Purchase) / disposal of other non-current financial assets (net)		(305,248)	(217,102)	-	8,560
Net cash flows from / (used in) investing activities		**(68,385,129)**	**(60,081,104)**	**(35,911,136)**	**(43,200,610)**
FINANCING ACTIVITIES					
Proceeds from issue of shares		24,777,360	527,713	24,777,360	527,713
Direct cost on issue of shares		(18,271)	-	(18,271)	-
Changes in non-controlling interest		(97,886)	(115,392)	-	-
Dividend paid to equity holders of parent		(2,457,083)	(2,080,473)	(2,457,083)	(2,080,473)
Dividend paid to shareholders with non-controlling interest		(1,099,388)	(882,399)	-	-
Proceeds from long term borrowings	37.1	36,031,878	2,106,129	31,800,000	-
Repayment of long term borrowings	37.1	(20,424,540)	(12,009,810)	(6,320,800)	(2,512,500)
Payment of principal portion of lease liabilities		(2,661,024)	(2,489,114)	(6,961)	(542)
Proceeds from / (repayment of) short term borrowings (net)		(5,563,221)	11,903,072	(9,809,261)	12,609,261
Net cash flows from / (used in) financing activities		**28,487,825**	**(3,040,274)**	**37,964,984**	**8,543,459**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,565,011	(30,370,372)	6,391,621	(28,949,401)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		9,939,646	40,310,018	9,057,645	38,007,046
CASH AND CASH EQUIVALENTS AT THE END		**11,504,657**	**9,939,646**	**15,449,266**	**9,057,645**
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Short term investments (less than 3 months)	33	27,457,323	26,971,939	20,167,289	16,804,656
Cash in hand and at bank		15,146,008	15,417,894	495,140	556,930
Unfavourable balances					
Bank overdrafts		(31,098,674)	(32,450,187)	(5,213,163)	(8,303,941)
Total cash and cash equivalents		**11,504,657**	**9,939,646**	**15,449,266**	**9,057,645**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 306 to 396 form an integral part of these financial statements.

For the year ended 31 March In Rs.'000s	Note	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
A Profit / (loss) before working capital changes					
Profit before tax		14,881,337	18,013,924	3,671,464	4,258,609
Adjustments for:					
Finance income	17	(20,610,716)	(22,567,639)	(4,806,621)	(5,787,333)
Dividend income	15	-	-	(10,696,939)	(11,503,190)
Finance costs	17	18,442,648	19,668,851	10,160,130	11,970,541
Share-based payment expense	35	416,388	341,011	120,786	94,585
Change in fair value of investment property	24	(956,762)	(450,092)	-	-
Share of results of equity accounted investees	27.3	(10,778,954)	(10,129,014)	-	-
Depreciation of property, plant and equipment	22.1,22.2	9,024,428	6,545,420	43,440	44,805
Provisions and impairment losses	16.2	-	638,900	265,977	-
Profit on sale of property, plant and equipment and intangible assets		(210,797)	(8,214)	(23)	(11)
Profit on sale of investment properties		(133,454)	-	-	-
Amortisation of right- of - use assets	23.1	3,825,874	3,931,743	15,447	1,287
Amortisation of intangible assets	25.1	1,227,761	987,012	38,226	28,034
Fair value loss of intangible assets	25.1	12,000	-	-	-
Employee benefit provision and related costs	38	737,778	780,060	65,543	66,581
Unrealised gain on foreign exchange (net)		(144,279)	(35,388)	-	-
		15,733,252	17,716,574	(1,122,570)	(826,092)

STATEMENT OF CHANGES IN EQUITY

In Rs.'000s	Stated capital	Other capital reserve	Cash flow hedge reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total equity
					COMPANY	
As at 1 April 2023	73,187,861	13,840,507	4,215,838	(1,340)	101,806,985	193,049,851
Profit for the year	-	-	-	-	4,252,313	4,252,313
Other comprehensive income	-	-	(921,213)	16,699	(45,847)	(950,361)
Total comprehensive income	-	-	(921,213)	16,699	4,206,466	3,301,952
Exercise of share options	527,713	-	-	-	-	527,713
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(212)	212	-
Conversion of convertible debentures	16,753,283	(5,552,906)	-	-	-	11,200,377
Share based payments	133,596	207,415	-	-	-	341,011
Final dividend paid - 2022/23	-	-	-	-	(692,458)	(692,458)
Interim dividends paid - 2023/24	-	-	-	-	(1,388,015)	(1,388,015)
As at 31 March 2024	90,602,453	8,495,016	3,294,625	15,147	103,933,190	206,340,431
As at 1 April 2024	90,602,453	8,495,016	3,294,625	15,147	103,933,190	206,340,431
Profit for the year	-	-	-	-	3,518,343	3,518,343
Other comprehensive income	-	-	(1,066,578)	(8,485)	29,460	(1,045,603)
Total comprehensive income	-	-	(1,066,578)	(8,485)	3,547,803	2,472,740
Issue of rights	24,042,175	-	-	-	-	24,042,175
Direct cost on issue of rights	-	-	-	-	(18,271)	(18,271)
Exercise of share options	735,185	-	-	-	-	735,185
Conversion of convertible debentures	16,570,170	(4,953,444)	-	-	-	11,616,726
Share based payments	561,530	(145,142)	-	-	-	416,388
Final dividend paid - 2023/24	-	-	-	-	(749,818)	(749,818)
Interim dividends paid - 2024/25	-	-	-	-	(1,707,265)	(1,707,265)
As at 31 March 2025	132,511,513	3,396,430	2,228,047	6,662	105,005,639	243,148,291

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 306 to 396 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs.'000s	Attributable to equity holders of the parent										
	Stated capital	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Other capital reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total	Non-controlling interests	Total equity
As at 1 April 2023	73,187,861	3,626,604	41,136,975	84,594,202	4,215,838	13,840,507	(1,323,092)	121,743,376	341,022,271	19,396,186	360,418,457
Profit for the year	-	-	-	-	-	-	-	11,248,152	11,248,152	879,382	12,127,534
Other comprehensive income	-	-	2,675,485	(12,945,051)	(921,213)	-	6,902,473	(407,143)	(4,695,449)	635,315	(4,060,134)
Total comprehensive income	-	-	2,675,485	(12,945,051)	(921,213)	-	6,902,473	10,841,009	6,552,703	1,514,697	8,067,400
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	(212)	212	-	-	-
Transfer from revaluation reserves to retained earnings	-	-	(4,247)	-	-	-	-	4,247	-	-	-
Exercise of share options	527,713	-	-	-	-	-	-	-	527,713	-	527,713
Conversion of convertible debentures	16,753,283	-	-	-	-	(5,552,906)	-	-	11,200,377	-	11,200,377
Share based payments	133,596	-	-	-	-	207,415	-	-	341,011	-	341,011
Final dividend paid - 2022/23	-	-	-	-	-	-	-	(692,458)	(692,458)	-	(692,458)
Interim dividends paid - 2023/24	-	-	-	-	-	-	-	(1,388,015)	(1,388,015)	-	(1,388,015)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	303,709	303,709	(1,186,108)	(882,399)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(115,392)	(115,392)
As at 31 March 2024	90,602,453	3,626,604	43,808,213	71,649,151	3,294,625	8,495,016	5,579,169	130,812,080	357,867,311	19,609,383	377,476,694
As at 1 April 2024	90,602,453	3,626,604	43,808,213	71,649,151	3,294,625	8,495,016	5,579,169	130,812,080	357,867,311	19,609,383	377,476,694
Profit for the year	-	-	-	-	-	-	-	5,326,374	5,326,374	1,597,890	6,924,264
Other comprehensive income	-	-	1,631,952	(534,765)	(1,066,578)	-	611,520	262,977	905,106	358,798	1,263,904
Total comprehensive income	-	-	1,631,952	(534,765)	(1,066,578)	-	611,520	5,589,351	6,231,480	1,956,688	8,188,168
Issue of rights	24,042,175	-	-	-	-	-	-	-	24,042,175	-	24,042,175
Direct cost on issue of rights	-	-	-	-	-	-	-	(18,271)	(18,271)	-	(18,271)
Changes in restricted regulatory reserves	-	592,894	-	-	-	-	-	(592,894)	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	(25,962)	25,962	-	-	-
Transfer from revaluation reserves to retained earnings	-	-	(37,191)	-	-	-	-	37,191	-	-	-
Exercise of share options	735,185	-	-	-	-	-	-	-	735,185	-	735,185
Conversion of convertible debentures	16,570,170	-	-	-	-	(4,953,444)	-	-	11,616,726	-	11,616,726
Share based payments	561,530	-	-	-	-	(145,142)	-	-	416,388	-	416,388
Final dividend paid - 2023/24	-	-	-	-	-	-	-	(749,818)	(749,818)	-	(749,818)
Interim dividends paid - 2024/25	-	-	-	-	-	-	-	(1,707,265)	(1,707,265)	-	(1,707,265)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	644,516	644,516	(1,743,904)	(1,099,388)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(97,886)	(97,886)
As at 31 March 2025	132,511,513	4,219,498	45,402,974	71,114,386	2,228,047	3,396,430	6,164,727	134,040,852	399,078,427	19,724,281	418,802,708

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 306 to 396 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE AND GROUP INFORMATION

1. CORPORATE INFORMATION

Reporting entity

John Keells Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2.

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

John Keells Holdings PLC became the holding Company of the Group during the financial year ended 31 March 1986.

Consolidated financial statements

The financial statements for the year ended 31 March 2025 comprise "the Company" referring to John Keells Holdings PLC as the holding Company and "the Group" referring to the companies that have been consolidated therein.

Approval of financial statements

The financial statements for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 27 May 2025.

Principal activities and nature of operations of the holding Company

John Keells Holdings PLC, the Group's holding Company, manages a portfolio of investments consisting of a range of diverse business operations, which together constitute the John Keells Group, and provides function based services to its subsidiaries, jointly controlled entities and associates.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility report in the Annual report.

Statements of compliance

The financial statements which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.

2. GROUP INFORMATION

Subsidiaries, associates and joint ventures

The companies within the Group and its business activities are described in the Group Directory under the Supplementary Information section of the Annual Report.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

BASIS OF PREPARATION AND OTHER MATERIAL ACCOUNTING POLICIES

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and buildings, derivative financial instruments, fair value through profit or loss financial assets and financial instruments measured at fair value through other comprehensive income that have been measured at fair value.

Going Concern

The Group has prepared the financial statements for the year ended 31 March 2025 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group companies in determining the going concern basis for preparation of the financial statements.

The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

Presentation of functional currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs), which is the primary economic environment in which the holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

The following subsidiaries are using different functional currencies other than Sri Lankan Rupees (Rs):

Country of incorporation	Functional Currency	Name of the Subsidiary
Singapore	Singapore Dollar (SGD)	John Keells Singapore (Pte) Ltd
Republic of Maldives	United States Dollar (USD)	Fantasea World Investments (Pte) Ltd
		John Keells Maldivian Resort (Pte) Ltd
		Mack Air Services Maldives (Pte) Ltd
		Tranquility (Pte) Ltd
		Travel Club (Pte) Ltd
Mauritius	United States Dollar (USD)	John Keells BPO Holdings (Pvt) Ltd
		John Keells BPO International (Pvt) Ltd

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on 'Presentation of Financial Statements'.

All values are rounded to the nearest rupees thousand (Rs.'000) except when otherwise indicated.

The material accounting policies are discussed with relevant individual notes.

The indicative US Dollar financial statements under Supplementary Information section of the Annual Report do not form a part of the financial statements prepared in accordance with SLFRS/LKAS.

Comparative information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Amendments to the financial statements due to changes in accounting standards are discussed in Note 6.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Group.

Other material accounting policies not disclosed with individual notes

Following accounting policies, which have been applied consistently by the Group, are considered to be material but not covered in any other sections.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency translation, foreign currency transactions and balances
The consolidated financial statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entities of the Group operate. All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on changing fair value of the item.

Foreign operations
The statement of financial position and income statement of overseas subsidiaries which are deemed to be foreign operations are translated to Sri Lanka rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period respectively.

The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the financial statements. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The items which have most significant effect on accounting, judgements, estimate and assumptions are as follows;

a) Going concern basis

b) Valuation of property, plant and equipment and investment property

c) Impairment of non-financial assets

d) Share based payments

e) Taxes

f) Employee benefit liability

g) Valuation of insurance contract liabilities

h) Provision for expected credit losses of trade receivables and contract assets

i) Leases

The Group performed impairment testing for non-current assets with the indicators of impairment in accordance with the accounting policies stated in Note 22 Property, Plant and equipment, Note 23 Right of use assets, Note 24 Investment property and Note 25 Intangible assets. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amounts of cash generating units are the higher of asset's fair value less costs of disposals and value in use. These calculations require the use of estimates, assumptions and judgements. The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium.

The Group assesses the fair value of its property, plant and equipment and investment property based on valuations determined by independent qualified valuers' best estimate based on the market conditions that prevailed, which in the valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

6. CHANGES IN ACCOUNTING STANDARDS

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

Amendments to LKAS 1: Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants
Amendments to SLFRS 16: Lease Liability in a Sale and Leaseback
Amendments to LKAS 7 and SLFRS 7 : Supplier Finance Arrangements
Amendments to LKAS 12 : International Tax Reform - Pillar Two Model Rules

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

SLFRS 17 - Insurance Contracts – Union Assurance PLC (UA)
As recommended by the Accounting Standards Committee, the Institute of Chartered Accountants of Sri Lanka (ICASL) has decided to adopt SLFRS 17 - Insurance Contracts with effect from annual reporting periods beginning after 1 January 2026 and earlier application of these standards is permitted. However, UA has not early adopted the new and amended standards in preparing these financial statements. The company is in the process of assessing the impact on its financial statements due to the initial application of SLFRS 17. The transition work is ongoing including designing of the accounting and actuarial policies, methodologies, models etc. Such assessments continue to change because;

a) UA continues to refine the new accounting processes and internal controls required to apply SLFRS 17.

b) UA has not completed its testing and assessment of the controls over its new IT systems and changes to its control framework; and

c) UA has applied new accounting policies, assumptions, judgments and estimation techniques, which are subject to change until UA prepares its first financial statements that include the date of initial application.

Overview
SLFRS 17 will replace SLFRS 4 on accounting for insurance contracts and will be effective from 1 January 2026.

SLFRS 4 permitted insurers to continue to use the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdiction prior to January 2005. SLFRS 17 replaces this with new measurement model for all insurance contracts.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

Objective

SLFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. The objective of SLFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

Scope

An entity shall apply SLFRS 17 to:

a) insurance contracts

b) reinsurance contracts it holds; and

c) investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

SLFRS 17 permits, but does not require, an entity to apply SLFRS 15 - Revenue from Contracts with Customers to fixed-fee service contracts if the contracts' primary purpose is the provision of a service. This choice is available for contracts that meet the following conditions.

- The contract price set by the entity does not reflect an assessment of the risk associated with an individual customer.
- The contract compensates customers by providing a service, rather than by making cash payments.
- The insurance risk that is transferred by the contract arises primarily from uncertainty about the frequency of the customer's use of the service, rather than about its cost.

Recognition

An entity shall recognise a group of insurance contracts it issues from the earliest of the following:

a) the beginning of the coverage period of the group of contracts;

b) the date when the first payment from a policyholder in the group becomes due; and

c) for a group of onerous contracts, when the group becomes onerous.

Measurement

SLFRS – 17 specify three measurement approaches:

1. Building Block Approach (BBA)
2. Premium Allocation Approach (PAA)
3. Variable Fee Approach (VFA)

On initial recognition, an entity shall measure a group of insurance contracts at the total of:

a) the fulfilment cash flows, which comprise:

   i. estimates of future cash flows;

   ii. an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and

   iii. a risk adjustment for non-financial risk.

b) the contractual service margin

The CSM of a group of contracts represents the unearned profit that UA will recognise as it provides services under those contracts. On initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow.

An entity shall include all the cash flows within the boundary of each contract in the group. The entity may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfilment cash flows to individual groups of contracts.

The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the entity without undue cost and effort about the amount, timing and uncertainty of those future cash flows. They should reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices.

Discount rates

The discount rates applied to the estimate of cash flows shall:

a) reflect the time value of money (TVM), the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;

b) be consistent with observable market prices of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts; and

c) exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Risk Adjustment for Non-financial Risk

The estimate of the present value of the future cash flows is adjusted to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

Under SLFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

i. Any contract that is onerous at initial recognition

ii. Any contract that, on initial recognition, has no significant possibility of becoming onerous subsequently

iii. Any contract remaining in the group

Onerous Contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. An entity shall recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF and the CSM of the group being zero.

On subsequent measurement, if a group of insurance contracts become onerous (or more onerous), that excess shall be recognised in profit or loss. Additionally, CSM cannot increase, and no revenue can be recognised, until the onerous amount previously recognised has been reversed in profit or loss as part of a service expense.

Presentation and disclosure

SLFRS 17 will significantly change how insurance contracts, reinsurance contracts and investment contracts with DPF are presented and disclosed in the financial statements.

Under SLFRS 17, portfolios of insurance contracts and investment contracts with DPF that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under SLFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into

a) an insurance service result, comprising insurance revenue and insurance service expenses; and

b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

Transition

An entity shall apply the Standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilise reasonable and supportable information and maximise the use of information that would have been used to apply a full retrospective approach but need only use information available without undue cost or effort.

Under this approach the use of hindsight is permitted, if that is the only practical source of information for the restatement of prior periods.

Under the fair value approach, an entity determines the CSM or the loss component at the transition date as the difference between the fair value of a group of insurance contracts at that date and the FCF measured at that date. Using this approach, on transition entity has a choice need for annual groups.

UA is currently in the process of evaluating the appropriate transition approach for its policy portfolio considering the availability information.

SLFRS 17 and SLFRS 9 Implementation Programme

SLFRS 17 is expected to have a significant impact, as the requirements of the new standard are complex and requires a fundamental change to accounting for insurance contracts as well as the application of significant judgement and new estimation techniques. The effect of changes required to UA's accounting policies as a result of implementing these standards to be determined, but these changes can be expected to, among other things, alter the timing of profit recognition. Given the implementation of this standard is likely to involve crucial enhancements to IT, actuarial and finance systems of UA, significant investments are made to ensure smooth transition & operations.

UA has an implementation programme underway to implement SLFRS 17 and SLFRS 9. The scope of the programme consists of setting accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing appropriate data and implementing actuarial and finance system changes.

The SLFRS 17 Steering Committee is mandated to monitor strategic, tactical, and operational readiness for the implementation of SLFRS 17. UA has made steady progress in the SLFRS 17 implementation journey. Governing structure and project timelines are given in the Corporate Governance commentary of the Annual Report of UA.

UA is in the process of finalising Technical position papers and system development. A detailed progress of the SLFRS 17 project and project key milestones are given in Finance Capital section of the annual report of UA. UA is on track to providing SLFRS 17 complied financial statements when the standard it becomes effective.

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

Amendments to LKAS 21: Lack of Exchangeability

8. OPERATING SEGMENT INFORMATION

Accounting policy

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The operating segments represent this business structure.

In addition, segments are determined based on the Group's geographical spread of operations as well. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

The activities of each of the operating business segments of the Group are detailed in the Group directory in the Supplementary section of the Annual report.

The Group has now organised its business units into seven reportable operating segments based on their products and services as follows:

Transportation

This operating segment provides an array of transportation related services, which comprise of container terminals in the Port of Colombo, a marine bunkering business, domestic airline, joint venture/associations with leading shipping, logistics and air transportation multinationals as well as travel and airlines services in Sri Lanka and the Maldives.

Consumer Foods

Consumer foods segment focuses on manufacturing of a wide range of soft drinks, dairy products, ice creams and processed foods which competes in three major categories namely beverages, frozen confectionery and convenience foods.

Retail

Retail segment focuses on modern organised retailing through a chain of supermarkets, multi-use international logistics centre, distribution of printers, copiers, smartphones and other office automation equipment and Importing and selling new energy vehicles and providing after sales services.

Leisure

The leisure segment comprises of five-star city hotels, a lean luxury hotel, resort hotels spread across prime tourist locations in Sri Lanka as well as Maldives, and a destination management business in Sri Lanka.

Property

Property industry group consists of the property development sector and the property management sector which includes renting of commercial office spaces and management of the Group's real estate.

Financial Services

The segment engages in a broad range of financial services including insurance, commercial banking, debt trading, fund management, leasing and stock broking.

Others

This reportable segment represents companies in the plantation industry, Information technology, management and holding Company of the Group as well as several ancillary companies.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

No operating segments have been aggregated to form the above reportable operating segments. An individual segment manager is determined for each operating segment and the results are regularly reviewed by the Board of Directors. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the operating segments' information, is measured differently from operating profit or loss in the consolidated financial statements. However, except the Financial Services segment, other segments' financing activities are managed on a group basis and are not allocated to operating segments. Pricing between operating segments comply with the arm's length principals relating to transfer pricing in the ordinary course of business.

8.1 Business segments

In Rs.'000s	Transportation		Consumer Foods		Retail	
For the year ended 31 March	2025	2024	2025	2024	2025	2024
Disaggregation of revenue - Timing of revenue recognition						
Goods transferred at a point in time	52,329,657	48,770,859	41,397,098	35,532,797	138,471,650	122,601,877
Services transferred over time	2,668,436	2,784,462	-	-	156,793	162,966
Total segment revenue	54,998,093	51,555,321	41,397,098	35,532,797	138,628,443	122,764,843
Elimination of inter segment revenue						
External revenue						
Segment results	1,310,214	1,740,516	5,273,159	3,624,233	7,584,695	6,080,922
Finance cost	(590,368)	(673,419)	(360,513)	(754,908)	(2,349,727)	(3,205,414)
Finance income	317,907	329,639	51,836	61,939	68,795	77,096
Change in fair value of investment properties	-	-	18,751	16,955	4,634	4,914
Share of results of equity accounted investees (net of tax)	5,326,346	6,207,278	-	-	(179,643)	(24,475)
Eliminations / adjustments	-	-	(32,539)	25,672	72,972	5,263
Profit / (loss) before tax	6,364,099	7,604,014	4,950,694	2,973,891	5,201,726	2,938,306
Tax expense	(238,345)	(133,962)	(1,464,074)	(800,133)	(1,501,121)	(882,245)
Profit/ (loss) for the year	6,125,754	7,470,052	3,486,620	2,173,758	3,700,605	2,056,061
Purchase and construction of PPE*	191,458	702,830	2,057,938	1,217,802	2,923,073	1,695,197
Addition to IA*	3,121	-	54,204	721,187	675,059	642,965
Depreciation of PPE*	222,034	187,128	1,207,733	1,102,454	1,830,595	1,743,856
Amortisation of IA*	8,292	8,377	153,967	124,776	508,510	413,660
Amortisation of ROU*	98,435	102,835	8,317	8,317	1,203,990	1,148,383
Employee benefit provision and related costs	8,719	(10,893)	132,663	148,416	140,916	153,913

In addition to segment results, information such as finance costs / income, tax expenses has been allocated to segments for better presentation.

* PPE - Property, plant and equipment, IA - Intangible assets, ROU - Right-of-use assets

								GROUP TOTAL	
Leisure		Property		Financial Services		Others			
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
-	-	6,644,990	-	-	-	2,797,104	3,055,960	241,640,499	209,961,493
49,928,268	47,946,329	2,188,779	1,919,026	21,291,434	18,664,852	6,757,717	6,331,706	82,991,427	77,809,341
49,928,268	47,946,329	8,833,769	1,919,026	21,291,434	18,664,852	9,554,821	9,387,666	324,631,926	287,770,834
								(7,254,200)	(6,998,230)
								317,377,726	280,772,604
(3,109,173)	3,461,766	673,036	(710,003)	4,655,240	4,758,059	(1,691,763)	(1,383,336)	14,695,408	17,572,157
(4,856,301)	(3,239,205)	(85,043)	(121,551)	(7)	(63)	(10,200,689)	(11,674,291)	(18,442,648)	(19,668,851)
975,197	3,163,845	74,327	211,248	284,238	204,080	4,998,267	5,682,585	6,770,567	9,730,432
74,597	98,250	795,090	232,559	-	-	63,690	97,414	956,762	450,092
(75,030)	24,745	(231,009)	(408,621)	5,938,290	4,330,087	-	-	10,778,954	10,129,014
(63,757)	(98,579)	(42,598)	(60,954)	205	615	188,011	(70,937)	122,294	(198,920)
(7,054,467)	3,410,822	1,183,803	(857,322)	10,877,966	9,292,778	(6,642,484)	(7,348,565)	14,881,337	18,013,924
(707,204)	(695,457)	(60,620)	288,502	(1,511,031)	(1,498,960)	(2,474,678)	(2,164,135)	(7,957,073)	(5,886,390)
(7,761,671)	2,715,365	1,123,183	(568,820)	9,366,935	7,793,818	(9,117,162)	(9,512,700)	6,924,264	12,127,534
41,119,395	31,473,575	383,726	385,952	150,814	93,406	225,931	204,000	47,052,335	35,772,762
133,068	18,320	-	-	6,833,463	125,157	2,795,152	15,823	10,494,067	1,523,452
5,356,271	3,119,972	80,497	73,222	121,452	117,724	205,846	201,064	9,024,428	6,545,420
86,828	64,930	167	6,500	402,908	308,640	67,089	60,129	1,227,761	987,012
2,250,230	2,470,098	20,452	20,455	169,186	132,987	75,264	48,668	3,825,874	3,931,743
251,551	259,575	28,803	22,169	60,317	57,169	114,809	149,711	737,778	780,060

8. OPERATING SEGMENT INFORMATION (CONTD.)

8.2. Business segments

The following table presents segment assets and liabilities of the Group's business segments.

In Rs.'000s	Transportation		Consumer Foods		Retail	
As at	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Property, plant and equipment	1,292,634	1,338,007	12,169,393	11,102,360	19,848,302	18,496,255
Right-of-use-assets	211,640	310,075	691,894	258,984	9,963,210	9,894,229
Investment properties	-	-	377,104	358,353	314,022	309,388
Intangible assets	51,942	56,623	1,707,949	1,801,995	3,023,726	2,819,436
Non-current financial assets	124,139	141,523	324,468	383,357	273,886	264,693
Other non-current assets	41,885	51,170	58,647	58,448	1,189,525	1,113,273
Segment non-current assets	1,722,240	1,897,398	15,329,455	13,963,497	34,612,671	32,897,274
Investments in equity accounted investees	29,092,413	21,911,210	-	-	65,883	(24,475)
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets						
Inventories	1,820,667	2,125,399	5,700,635	4,722,058	12,295,102	10,271,009
Trade and other receivables	5,561,779	6,585,354	7,497,609	5,944,817	6,168,340	4,887,289
Short term investments	6,203,627	4,956,582	-	580	1,060	1,165
Cash in hand and at bank	878,126	1,740,615	679,934	728,188	1,579,438	1,593,322
Segment current assets	14,464,199	15,407,950	13,878,178	11,395,643	20,043,940	16,752,785
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	390,875	510,125	624,316	746,614	2,525,707	2,416,957
Lease liabilities	162,074	344,656	561,965	138,715	10,949,716	10,691,302
Employee benefit liabilities	106,822	126,498	702,339	752,078	610,849	594,249
Non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	-	-	125,689	111,259	-	-
Segment non-current liabilities	659,771	981,279	2,014,309	1,748,666	14,086,272	13,702,508
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	4,795,622	6,991,638	4,961,818	4,014,970	21,101,577	18,015,627
Short term borrowings	6,872,653	5,108,357	-	500,000	2,505,689	1,003,879
Interest bearing loans and borrowings	72,875	-	381,050	467,966	2,125,000	4,260,000
Lease liabilities	96,812	-	19,424	4,804	697,530	687,580
Bank overdrafts	839,808	1,270,728	5,274,759	3,523,068	5,692,396	7,018,292
Segment current liabilities	12,677,770	13,370,723	10,637,051	8,510,808	32,122,192	30,985,378
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	16,186,439	17,305,348	29,207,633	25,359,140	54,656,611	49,650,059
Total segment liabilities	13,337,541	14,352,002	12,651,360	10,259,474	46,208,464	44,687,886

Inter company investments made by the Group of companies have not been considered for the calculation of segment assets.

	GROUP TOTAL								
Leisure		Property		Financial Services		Others			
31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
350,479,536	316,955,748	5,257,236	5,161,817	3,039,273	3,012,007	2,213,614	2,126,685	394,299,988	358,192,879
36,828,656	36,326,515	200,968	207,405	585,240	401,343	150,541	225,805	48,632,149	47,624,356
5,447,996	5,312,616	48,138,231	48,354,871	-	-	3,005,745	2,912,467	57,283,098	57,247,695
397,295	83,320	167	334	7,487,232	1,067,185	2,857,681	129,616	15,525,992	5,958,509
9,276,930	9,415,821	280	17,828	72,816,695	69,637,501	2,649,643	3,849,944	85,466,041	83,710,667
52,720	77,648	1,402,849	1,510,820	75,808	103,655	163,832	287,922	2,985,266	3,202,936
402,483,133	368,171,668	54,999,731	55,253,075	84,004,248	74,221,691	11,041,056	9,532,439	604,192,534	555,937,042
2,326,454	1,865,385	1,039,923	1,270,932	29,230,818	23,128,152	-	-	61,755,491	48,151,204
								1,476,180	1,716,261
								966,608	966,608
								(9,784,990)	(9,689,798)
								658,605,823	597,081,317
1,937,283	925,501	16,620,524	20,946,729	-	-	418,778	349,479	38,792,989	39,340,175
9,541,721	8,370,912	1,511,586	1,192,530	2,399,964	1,792,568	3,518,102	3,894,851	36,199,101	32,668,321
6,434,922	4,477,144	531,476	125,259	21,101,684	16,628,409	62,382,275	58,048,051	96,655,044	84,237,190
5,129,205	4,108,942	798,116	2,170,291	1,599,558	1,000,983	4,326,726	4,030,609	14,991,103	15,372,950
23,043,131	17,882,499	19,461,702	24,434,809	25,101,206	19,421,960	70,645,881	66,322,990	186,638,237	171,618,636
								10,656,409	10,304,760
								(9,982,388)	(7,813,213)
								187,312,258	174,110,183
								845,918,081	771,191,500
-	-	-	-	82,555,004	69,510,867	-	-	82,555,004	69,510,867
69,155,563	77,536,189	309,167	107,350	-	-	72,971,684	55,056,493	145,977,312	136,373,728
15,602,487	16,375,202	462	358	417,858	298,183	116,462	186,497	27,811,024	28,034,913
1,086,268	1,128,100	19,061	12,622	270,337	236,510	667,789	740,726	3,463,465	3,590,783
-	-	-	1,185,726	-	-	-	10,201,449	-	11,387,175
100,442	127,504	314,168	272,460	180,684	104,486	387	407	721,370	616,116
85,944,760	95,166,995	642,858	1,578,516	83,423,883	70,150,046	73,756,322	66,185,572	260,528,175	249,513,582
								23,204,978	21,222,258
								(9,269,288)	(9,159,237)
								274,463,865	261,576,603
9,623,669	7,792,298	20,611,402	1,386,882	7,365,687	5,306,273	2,468,652	3,351,786	70,928,427	46,859,474
8,293,568	4,803,117	-	-	-	-	4,112,074	13,921,335	21,783,984	25,336,688
9,341,177	10,692,564	205,072	126,359	-	-	14,548,047	7,670,053	26,673,221	23,216,942
1,712,348	3,174,465	-	-	153,776	108,781	8,038	6,961	2,687,928	3,982,591
13,697,078	11,239,132	202,517	787,236	116,729	74,944	5,347,384	8,608,790	31,170,671	32,522,190
42,667,840	37,701,576	21,018,991	2,300,477	7,636,192	5,489,998	26,484,195	33,558,925	153,244,231	131,917,885
								1,976,863	1,824,765
								7,482,902	6,668,511
								(10,052,488)	(8,272,958)
								152,651,508	132,138,203
								427,115,373	393,714,806
425,526,264	386,054,167	74,461,433	79,687,884	109,105,454	93,643,651	81,686,937	75,855,429	790,830,771	727,555,678
128,612,600	132,868,571	21,661,849	3,878,993	91,060,075	75,640,044	100,240,517	99,744,497	413,772,406	381,431,467

8. OPERATING SEGMENT INFORMATION (CONTD.)

8.3 Business Segment analysis - Disaggregation of revenue - Business segment analysis

	GROUP					
For the year ended 31 March In Rs.'000s	2025			2024		
	Sale of goods	Rendering of services	Total revenue	Sale of goods	Rendering of services	Total revenue
Transportation	52,329,657	2,224,206	54,553,863	48,769,114	2,395,678	51,164,792
Consumer Foods	38,669,088	-	38,669,088	32,897,097	-	32,897,097
Retail	138,179,960	156,661	138,336,621	122,339,199	162,836	122,502,035
Leisure	-	49,850,898	49,850,898	-	47,885,151	47,885,151
Property	6,644,990	1,901,361	8,546,351	-	1,601,893	1,601,893
Financial Services	-	21,291,434	21,291,434	-	18,664,852	18,664,852
Others	2,797,104	3,332,367	6,129,471	3,055,960	3,000,824	6,056,784
Group revenue	238,620,799	78,756,927	317,377,726	207,061,370	73,711,234	280,772,604

8.4 Disaggregation of revenue - Geographical segment analysis (by location of customers)

	GROUP	
For the year ended 31 March In Rs.'000s	2025	2024
Sri Lanka	227,503,106	196,896,746
Asia (excluding Sri Lanka)	26,678,812	30,892,350
Europe	44,083,608	34,287,355
Others	19,112,200	18,696,153
Group external revenue	317,377,726	280,772,604

8.5 Geographical segments, based on the location of assets

As at / For the year ended 31 March In Rs.'000s	Sri Lanka		Asia (excluding Sri Lanka)		GROUP TOTAL	
	2025	2024	2025	2024	2025	2024
Group external revenue	299,252,204	260,387,475	18,125,522	20,385,129	317,377,726	280,772,604
Segment revenue	306,448,595	267,339,834	18,183,331	20,431,000	324,631,926	287,770,834
Segment results	13,223,710	15,471,089	1,471,698	2,101,068	14,695,408	17,572,157
Segment assets	722,805,824	661,227,841	68,024,947	66,327,837	790,830,771	727,555,678
Segment liabilities	363,384,744	333,074,967	50,387,662	48,356,500	413,772,406	381,431,467
Purchase and construction of property, plant and equipment	46,534,569	35,058,056	517,766	714,706	47,052,335	35,772,762
Purchase and construction of intangible assets	10,429,060	1,523,452	65,007	-	10,494,067	1,523,452
Depreciation of property, plant and equipment	7,519,025	4,856,387	1,505,403	1,689,033	9,024,428	6,545,420
Amortisation of intangible assets	1,219,823	987,012	7,938	-	1,227,761	987,012
Amortisation of right- of - use assets	1,642,170	1,523,415	2,183,704	2,408,328	3,825,874	3,931,743
Employee benefit provision and related costs	737,778	780,060	-	-	737,778	780,060
Investments in equity accounted investees	61,755,491	48,151,204	-	-	61,755,491	48,151,204

9. BASIS OF CONSOLIDATION AND MATERIAL PARTLY OWNED SUBSIDIARIES

Accounting policy

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the end of reporting period. Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control over an investee

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Consolidation of entities in which the Group holds less than a majority of voting rights

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

Subsidiaries that are consolidated have been listed in the Group directory under Supplementary section of the annual report.

The following companies, with equity control equal to or less than 50%, have been consolidated as subsidiaries based on above criteria.

	% Holding
Rajawella Holdings Ltd	49.85
Mack Air Services Maldives (Pte) Ltd	49.00
Tea Smallholder Factories PLC	37.62

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

9. BASIS OF CONSOLIDATION AND MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies.

Transactions eliminated on Consolidation
All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Loss of control
If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position.

Non-controlling interest (NCI)
Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent.

The Consolidated Statement of Cash Flow includes the cash flows of the Company and its subsidiaries.

9.1 Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests (NCI) are provided below.

In Rs.'000s	Leisure		Consumer Foods		Retail	
	2025	2024	2025	2024	2025	2024
Summarised Total Comprehensive Income Statement for the year ended 31 March						
Revenue	49,928,268	47,946,329	41,397,098	35,532,797	138,628,443	122,764,843
Operating cost	(52,367,328)	(43,886,544)	(33,763,356)	(30,788,778)	(131,038,370)	(116,674,038)
Finance cost	(4,856,301)	(3,239,205)	(374,402)	(754,908)	(2,355,106)	(3,215,297)
Finance income	975,197	3,163,845	51,836	61,939	68,795	77,096
Change in fair value of investment properties	134,830	193,305	18,751	16,955	4,634	4,914
Profit before tax	(6,185,334)	4,177,730	7,329,927	4,068,005	5,308,396	2,957,518
Tax expense	(725,274)	(737,175)	(1,464,074)	(800,133)	(1,552,045)	(882,245)
Profit for the year	(6,910,608)	3,440,555	5,865,853	3,267,872	3,756,351	2,075,273
Other comprehensive income	2,019,370	3,739,171	1,275,822	(362,567)	248,255	138,986
Total comprehensive income	(4,891,238)	7,179,726	7,141,675	2,905,305	4,004,606	2,214,259
Profit/(loss) allocated to NCI	(57,205)	(34,245)	641,870	420,021	561,616	233,054
Dividend paid to NCI	127,857	18,445	805,461	374,618	229,959	106,013
Summarised Statement of Financial Position as at 31 March						
Non-current assets	402,483,133	368,171,668	15,329,455	13,963,497	34,612,671	32,897,274
Current assets	23,243,131	17,882,499	13,878,178	11,395,643	20,043,940	16,752,785
Total assets	425,726,264	386,054,167	29,207,633	25,359,140	54,656,611	49,650,059
Non-current liabilities	85,944,760	95,166,995	2,014,309	1,748,666	14,086,272	13,702,508
Current liabilities	42,667,840	37,701,576	10,637,051	8,510,808	32,122,192	30,985,378
Total liabilities	128,612,600	132,868,571	12,651,360	10,259,474	46,208,464	44,687,886
Accumulated balances of NCI	12,895,430	12,579,384	7,958,476	6,543,329	3,109,140	2,280,631
Summarised Statement of Cash Flows for the year ended 31 March						
Cash flows from/(used in) operating activities	6,640,262	2,963,087	4,136,375	4,767,372	8,416,288	11,388,479
Cash flows from/(used in) investing activities	(1,858,012)	(1,316,938)	246,067	(837,207)	(3,196,835)	(2,481,983)
Cash flows from/(used in) financing activities	(6,185,602)	(3,980,110)	(6,183,498)	(1,638,481)	(4,747,386)	(4,854,118)
Net increase / (decrease) in cash and cash equivalents	(1,403,352)	(2,333,961)	(1,801,056)	2,291,684	472,067	4,052,378

The above information is based on amounts before inter-company eliminations.

Names of material partly-owned subsidiaries and effective holding % owned by non-controlling interest:
Considering the Group balances, none of the individual partly-owned subsidiaries have material non-controlling interest. However, the above information has been presented on the aggregated interests in similar entities namely, the Leisure, Consumer Foods and Retail segment, based on the nature and risks of the products and services.

John Keells Holdings has material partly owned subsidiaries in Consumer Foods, Retail and Leisure sectors.

In Consumer Foods Sector, Ceylon Cold Stores PLC, Keells Food Products PLC and The Colombo Ice Company (Pvt) Ltd has an effective holding owned by non-controlling interest ranging from 11.37% - 18.64% as at 31 March 2025 (2024 - 11.37% - 18.64%).

In Retail Sector, JayKay Marketing Services (Pvt) Ltd and Logipark International (Pvt) Ltd both have 18.64% effective holding owned by non-controlling interest as at 31 March 2025 (2024 - 18.64%).

Under Leisure Sector, following companies have significant partly owned subsidiaries with effective holding percentage owned by non-controlling interest ranged from 1.65% - 24.67% (2024 – 1.65% - 24.67%).

The Leisure Sector subsidiaries include Ahungalla Holiday Resorts (Pvt) Ltd, Asian Hotels and Properties PLC, Beruwala Holiday Resorts (Pvt) Ltd, Ceylon Holiday Resorts Ltd, Cinnamon Holidays (Pvt) Ltd, Fantasea World Investments (Pte) Ltd, Habarana Lodge Ltd, Habarana Walk Inn Ltd, Hikkaduwa Holiday Resorts (Pvt) Ltd, International Tourists and Hoteliers Ltd, John Keells Hotels PLC, John Keells Maldivian Resorts (Pte) Ltd, Kandy Walk Inn Ltd, Nuwara Eliya Holiday Resorts (Pvt) Ltd, Rajawella Hotels Company Ltd, Resort Hotels Ltd, Tranquility (Pte) Ltd, Trans Asia Hotels PLC, Travel Club (Pte) Ltd, Trinco Holiday Resorts (Pvt) Ltd, Trinco Walk Inn Ltd, Walkers Tours Ltd, Wirawila Walk Inn Ltd and Yala Village (Pvt) Ltd.

Please refer Note 26 for the individual company's effective holdings.

Accounting judgements,estimates and assumptions
Consolidation of entities in which the Group holds less than a majority of voting right (de facto control).

The Group considers that it controls some subsidiaries even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of those subsidiaries with equity interest. The remaining equity shares in those subsidiaries are widely held by many other shareholders, and there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

10. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

Accounting policy
Business combinations & goodwill
Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement. The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Income Statement, in accordance with SLFRS 9.

Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation, goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of goodwill

Goodwill is tested for impairment annually (as at 31 March) when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

10.1 Investment in subsidiaries

Waterfront Properties (Pvt) Ltd (WPL)

John Keells Holdings PLC (JKH) further invested Rs.27,207 Mn (2024 - Rs.19,585 Mn) in WPL, a subsidiary of JKH involved in developing, owning, managing, operating, selling, leasing and renting of a luxury multi/mixed use Integrated Resort.

The project's key investments are presented in the statement of financial position under the following categories.

Asset Category	Type	Value (In Mn)	Note reference
Property, plant and equipment	Integrated hotel	279,295	22
Investment Property	Commercial buildings	16,851	24
Inventory	Residential apartments	16,556	30

The recoverability of the investment in Waterfront Properties is duly assessed based on the projected revenue, EBITDA margins, occupancy rates and cash flow projections discounted using a rate reflecting the appropriate risk appetite of the company and considering the performance of similar integrated properties regionally.

Mack International Freight (Pvt) Ltd (MIF)

John Keells Holdings PLC (JKH) has further invested Rs.224 Mn in MIF, a fully owned subsidiary of the Group focused on transportation sector.

10.2 Investment in equity accounted investees

Colombo West International Container Terminal (Pvt) Ltd (CWIT)

John Keells Holdings PLC further invested Rs.6,806 Mn (2024 - Rs.5,170 Mn) in CWIT as per the Build, Own and Transfer (BOT) Agreement between the Sri Lanka Ports Authority and CWIT.

John Keells CG Auto (Pvt) Ltd (JKCG)

John Keells Holdings PLC invested Rs.270 Mn during the year for JKCG, involved in Importing and selling New Energy Vehicles and providing after sales services. JKH has a 50% stake in the business.

Indra Hotels and Resorts (Pvt) Ltd (Indra)

John Keells Hotels PLC further invested Rs.496 Mn (2024 - Rs.582 Mn) during the year for Indra, which owns Kandy Myst by Cinnamon.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has loans and other receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group also holds other financial instruments such as available for sale and fair value through profit or loss financial instruments and may enter into derivative transactions. The Group's principal financial liabilities, comprise of loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group is exposed to market risk, credit risk and liquidity risk.

11.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

As at 31 March						2025
In Rs.'000s	Notes	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties
Group						
Government securities	11.1.2	62,227,346	-	-	12,395,752	-
Corporate debt securities	11.1.3	7,606,328	-	-	2,255,924	-
Deposits with banks and non bank financial institutes	11.1.4	377,893	-	-	68,059,661	-
Loans to executives	11.1.5	1,349,621	-	471,153	-	-
Loans to life policyholders	11.1.6	2,615,908	-	116,744	-	-
Interest rate swap	11.1.7	2,228,046	-	-	-	-
Trade and other receivables	11.1.8	-	-	29,911,323	-	-
Reinsurance receivables	11.1.9	134,512	-	305,223	-	-
Premium receivable	11.1.10	-	-	1,003,288	-	-
Amounts due from related parties	11.1.11	-	-	-	-	580,135
Cash in hand and at bank	11.1.12	-	15,146,008	-	-	-
Total credit risk exposure		76,539,654	15,146,008	31,807,731	82,711,337	580,135
Financial assets at fair value through P&L	11.3.3.1	-	-	-	7,700,139	-
Financial assets at fair value through OCI	11.3.3.2	44,474	-	-	-	-
Total equity risk exposure		44,474	-	-	7,700,139	-
Total		76,584,128	15,146,008	31,807,731	90,411,476	580,135
Company						
Government securities	11.1.2	-	-	-	877	-
Deposits with banks and non bank financial institutes	11.1.4	-	-	-	61,798,328	-
Loans to executives	11.1.5	119,875	-	22,978	-	-
Interest rate swap	11.1.7	2,228,046	-	-	-	-
Trade and other receivables	11.1.8	-	-	688,877	-	-
Amounts due from related parties	11.1.11	-	-	-	-	840,848
Cash in hand and at bank	11.1.12	-	495,140	-	-	-
Total credit risk exposure		2,347,921	495,140	711,855	61,799,205	840,848
Financial assets at fair value through OCI	11.3.3.2	35,181	-	-	-	-
Total equity risk exposure		35,181	-	-	-	-
Total		2,383,102	495,140	711,855	61,799,205	840,848

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, available-for-sale financial investments, investments, and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

11.1.1 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

		2024						
Total	% of allocation	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties	Total	% of allocation
74,623,098	36%	59,500,492	-	-	8,404,134	-	67,904,626	35%
9,862,252	5%	7,458,459	-	-	3,752,741	-	11,211,200	6%
68,437,554	33%	230,495	-	-	62,907,725	-	63,138,220	33%
1,820,774	1%	1,491,012	-	415,865	-	-	1,906,877	1%
2,732,652	1%	2,310,660	-	114,677	-	-	2,425,337	1%
2,228,046	1%	3,294,625	-	-	-	-	3,294,625	2%
29,911,323	15%	-	-	26,652,427	-	-	26,652,427	14%
439,735	0%	116,444	-	313,050	-	-	429,494	0%
1,003,288	1%	-	-	881,186	-	-	881,186	0%
580,135	0%	-	-	-	-	674,179	674,179	0%
15,146,008	7%	-	15,417,894	-	-	-	15,417,894	8%
206,784,865	100%	74,402,187	15,417,894	28,377,205	75,064,600	674,179	193,936,065	100%
		-	-	-	4,966,042	-		
		79,629	-	-	-	-		
		79,629	-	-	4,966,042	-		
		74,481,816	15,417,894	28,377,205	80,030,642	674,179		
877	0%	-	-	-	-	-	-	-
61,798,328	93%	-	-	-	57,805,464	-	57,805,464	91%
142,853	0%	173,401	-	20,802	-	-	194,203	0%
2,228,046	4%	3,294,625	-	-	-	-	3,294,625	5%
688,877	1%	-	-	439,880	-	-	439,880	1%
840,848	1%	-	-	-	-	1,290,846	1,290,846	2%
495,140	1%	-	556,930	-	-	-	556,930	1%
66,194,969	100%	3,468,026	556,930	460,682	57,805,464	1,290,846	63,581,948	100%
		43,666	-	-	-	-		
		43,666	-	-	-	-		
		3,511,692	556,930	460,682	57,805,464	1,290,846		

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

11.1.2 Government securities

As at 31 March 2025 as shown in table above, 36% (2024 - 35%) of debt securities comprise investments in government securities consist of treasury bonds, bills and reverse repo investments.

11.1.3 Corporate debt securities

As at 31 March 2025 corporate debt securities comprise 5% (2024 - 6%) of the total investments in debt securities, out of which 68% (2024 - 18%) were rated "A" or better, or guaranteed by a banking institution with a rating of "A" or better.

	GROUP			
As at 31 March	2025		2024	
Fitch ratings	In Rs.'000s	%	In Rs.'000s	%
AAA	-	-	101,177	0%
AA-	211,422	2%	-	-
A+	2,695	0%	628,247	6%
A	6,471,246	66%	1,435,654	12%
A-	358,529	4%	867,523	8%
BBB+	2,723,308	27%	2,640,002	24%
BBB	-	-	3,775,936	34%
BBB-	95,052	1%	1,445,202	13%
BB+	-	-	101,857	1%
CC	-	-	215,602	2%
Total	9,862,252	100%	11,211,200	100%

11.1.4 Deposits with banks

Deposits with bank mainly consist of fixed and call deposits .

As at 31 March 2025, fixed and call deposits comprise 100% (2024 - 67%) and 100% (2024 - 64%) for the Group and Company respectively were rated "A" or better.

	GROUP				COMPANY			
As at 31 March	2025		2024		2025		2024	
Fitch ratings	In Rs.'000s	%	In Rs.'000s	%	In Rs.'000s	%	In Rs.'000s	%
AAA	-	-	1,112,648	2%	-	-	-	-
AA	1,501,086	2%	-	-	-	-	-	-
AA-	42,100,986	62%	15,405	0%	39,997,986	65%	-	-
A+	3,059,021	5%	-	-	3,059,021	5%	-	-
A	21,398,568	31%	41,104,557	65%	18,741,321	30%	37,198,346	64%
A-	-	-	20,675,115	33%	-	-	20,607,118	36%
Total	68,059,661	100%	62,907,725	100%	61,798,328	100%	57,805,464	100%

11.1.5 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary promissory notes as collateral for the loans granted.

11.1.6 Loans to life policyholders

The surrender value of insurance policies considered as the collateral for the loans given to life policy holders by Union Assurance PLC. System controls are in place to automatically convert a policy to lapse stage when the policy loan amount together with the interest is reaching the surrender value of the policy.

11.1.7 Interest rate swap

The Group has entered into interest rate swap that is a cash flow hedge. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships. Refer Note 13.3.

11.1.8 Trade and other receivables

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	2024	**2025**	2024
Neither past due nor impaired	11,543,569	11,870,375	521,663	362,173
Past due but not impaired				
0-30 days	13,814,173	10,373,597	121,291	63,590
31–60 days	3,428,459	3,144,201	43,531	2,963
61–90 days	751,913	428,826	30	1,515
> 91 days	2,224,547	1,856,114	3,471	10,020
Gross carrying value	31,762,661	27,673,113	689,986	440,261
Allowance for expected credit losses	(1,851,338)	(1,020,686)	(1,109)	(381)
Total	29,911,323	26,652,427	688,877	439,880

The Group has obtained customer deposit from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset, including trade and receivables, as indicating impairment when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to provide impairment indications when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

11.1.9 Reinsurance receivables

The Union Assurance PLC operates a policy to manage its reinsurance counterparty exposures by limiting the reinsurers that may be used and applying strict limits each reinsurer.

11.1.10 Premium receivable

Only designated institutions are employed as intermediary parties by Union Assurance PLC Agreements have been signed within the intermediaries committing them to settle dues within a specified time period.

11.1.11 Amounts due from related parties

The Group's amounts due from related parties mainly consists of associates and other venture partners' balances. The Company balance consists of the balances from affiliate companies.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

11.1.12 Credit risk relating to cash in hand and bank balance

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Group consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

11.2 Liquidity risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its short and medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including debentures, bank loans, loan notes, overdrafts and finance leases over a broad spread of maturities.

11.2.1 Net debt/(cash)

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	2024	**2025**	2024
Short term investments	90,411,476	80,030,642	61,799,205	57,805,464
Cash in hand and at bank	15,146,008	15,417,894	495,140	556,930
Adjustments to liquid assets	(11,388,804)	(8,620,436)	-	-
Total liquid assets	**94,168,680**	**86,828,100**	**62,294,345**	**58,362,394**
Interest-bearing loans and borrowings (Non-current)	137,120,024	127,169,502	72,926,884	55,044,493
Liability attributable to convertible debentures	-	10,201,449	-	10,201,449
Lease liabilities (Non-current)	27,399,695	28,080,571	101,101	109,139
Short term borrowings	15,518,937	21,062,456	4,100,000	13,909,261
Interest-bearing loans and borrowings (Current)	26,673,221	23,216,942	14,514,447	7,670,053
Lease liabilities (Current)	2,632,051	3,884,003	8,038	6,961
Bank overdrafts	31,098,674	32,450,187	5,213,163	8,303,941
Total liabilities	**240,442,602**	**246,065,110**	**96,863,633**	**95,245,297**
Net debt / (cash)	**146,273,922**	**159,237,010**	**34,569,288**	**36,882,903**

11.2.2 Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach.

The Group has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units matched cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Group continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Group companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Group.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	38,328,712	87,965,477	29,552,059	20,464,464	15,580,932	4,909,456	196,801,100
Lease liabilities	4,898,686	4,846,772	4,686,590	4,734,661	3,378,050	29,929,156	52,473,915
Trade and other payables	66,727,203	-	-	-	-	-	66,727,203
Amounts due to related parties	541,657	-	-	-	-	-	541,657
Short term borrowings	15,518,937	-	-	-	-	-	15,518,937
Bank overdrafts	31,098,674	-	-	-	-	-	31,098,674
	157,113,869	92,812,249	34,238,649	25,199,125	18,958,982	34,838,612	363,161,486

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2024 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	34,198,998	34,378,082	76,589,291	13,222,118	11,389,212	15,335,050	185,112,751
Lease liabilities	3,762,037	3,442,626	3,345,329	3,239,028	3,154,475	37,176,448	54,119,943
Convertible debenture	403,717	12,946,021	-	-	-	-	13,349,738
Trade and other payables	42,582,596	-	-	-	-	-	42,582,596
Amounts due to related parties	448,743	-	-	-	-	-	448,743
Short term borrowings	21,062,456	-	-	-	-	-	21,062,456
Bank overdrafts	32,450,187	-	-	-	-	-	32,450,187
	134,908,734	50,766,729	79,934,620	16,461,146	14,543,687	52,511,498	349,126,414

Maturity analysis - Company

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2025 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	20,473,706	22,485,062	25,725,485	19,484,617	14,998,644	4,657,840	107,825,354
Lease liability	21,002	22,912	23,103	27,303	25,623	43,896	163,839
Trade and other payables	538,055	-	-	-	-	-	538,055
Amounts due to related parties	96,333	-	-	-	-	-	96,333
Short term borrowings	4,100,000	-	-	-	-	-	4,100,000
Bank overdrafts	5,213,163	-	-	-	-	-	5,213,163
	30,442,259	22,507,974	25,748,588	19,511,920	15,024,267	4,701,736	117,936,744

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2024 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	10,646,447	16,203,216	13,023,804	11,833,967	10,511,486	14,589,790	76,808,710
Lease liability	20,308	20,478	22,339	22,525	24,573	69,829	180,052
Convertible debenture	403,717	12,946,021	-	-	-	-	13,349,738
Trade and other payables	1,463,935	-	-	-	-	-	1,463,935
Amounts due to related parties	88,841	-	-	-	-	-	88,841
Short term borrowings	13,909,261	-	-	-	-	-	13,909,261
Bank overdrafts	8,303,941	-	-	-	-	-	8,303,941
	34,836,450	29,169,715	13,046,143	11,856,492	10,536,059	14,659,619	114,104,478

11.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises of the following types of risk:
- Interest rate risk
- Currency risk
- Equity price risk
- Commodity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analyses in the following sections relate to the position as at 31 March in 2025 and 2024.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations, provisions, and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:
- The sensitivity of the Statement of Financial Position item mainly relates to derivatives and debt instruments.
- The sensitivity of the relevant Income Statement item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March 2025 and 2024.

11.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates.

To manage the exposure of floating interest rates which is common to most loans, the Group enters into interest rate swaps, where necessary and applicable, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The Group has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates while interest rate swap agreements are in place for a significant portion of the Group's foreign currency borrowing portfolio.

The table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax (through the impact on floating rate borrowings).

For the year ended 31 March	Increase/ (decrease) in basis points		GROUP	COMPANY
	Rupee borrowings	Other currency borrowings	Effect on profit before tax Rs.'000s	
2025	+342	+98	(2,783,358)	(1,770,852)
	-342	-98	2,783,358	1,770,852
2024	+1316	+60	(3,993,690)	(1,696,919)
	-1316	-60	3,993,690	1,696,919

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base floating interest rates.

11.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. The Group treasury analyses the market condition of foreign exchange and provides market updates to the Group Executive Committee (GEC), with the use of external consultants' advice. Based on the suggestions made by the Group treasury the GEC takes decisions on whether to hold, sell, or make forward bookings of foreign currency as per decision rights given by Board of Directors.

11.3.2.1 Effects of currency translation

For purposes of Group consolidated financial statements, income and expenses and assets and liabilities of subsidiaries whose functional currency differs from the Group presentation currency are translated into the Group presentation currency. Therefore, period-to-period changes in average exchange rates may cause currency translation effects that have a significant impact on, for example, revenue, segment results (Earnings Before Interest and Taxes –EBIT) and assets and liabilities of the Group. Unlike exchange rate transaction risk, exchange rate translation risk does not necessarily affect future cash flows. The Group's equity position reflects changes in book values caused by exchange rates.

		GROUP		COMPANY	
For the year ended 31 March	Increase/(decrease) in exchange rate USD	Effect on profit before tax Rs.'000s	Effect on equity Rs.'000s	Effect on profit before tax Rs.'000s	Effect on equity Rs.'000s
2025	+1.48%	(1,064,186)	1,654,588	172,289	32,975
	-1.48%	1,064,186	(1,654,588)	(172,289)	(32,975)
2024	+7.5%	(5,641,757)	7,312,743	297,643	247,097
	-7.5%	5,641,757	(7,312,743)	(297,643)	(247,097)

Assumptions

The assumed spread of the exchange rate is based on the current observable market environment.

The Group adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. At a Group level, the translation risk on foreign currency debt is largely hedged "naturally" because of the conscious strategy of maintaining US Dollar cash balances at the holding company whilst also ensuring obligations can be managed through US Dollar denominated revenue streams.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

11.3.3 Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

11.3.3.1 Financial assets at fair value through profit and loss

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

	GROUP			
As at 31 March	2025		2024	
	Rs.'000s	%	Rs.'000s	%
Banks	895,601	12%	1,528,273	31%
Capital Goods	2,437,844	32%	1,555,137	31%
Consumer Durables and Apparel	875,364	11%	387,599	8%
Consumer Services	38,160	0%	45,360	1%
Diversified Financials	445,142	6%	39,738	1%
Food and Staples Retailing	1,375	0%	-	-
Food Beverage and Tobacco	592,922	8%	645,106	13%
Materials	2,119,094	27%	561,046	11%
Telecommunication Services	294,637	4%	203,783	4%
	7,700,139	100%	4,966,042	100%

11.3.3.2 Financial instruments at fair value through other comprehensive income statement

All unquoted equity investments are made after obtaining Board of Directors approval.

11.3.3.3 Sensitivity analysis

The table demonstrates the sensitivity to a reasonably possible change in the market index, with all other variables held constant, of the Group and Company's profit before tax and equity due to changes in the fair value of the listed equity securities.

		GROUP	
For the year ended 31 March	Change in year-end market price index	Effect on profit before tax Rs.'000s	Effect on equity Rs.'000s
2025	+29%	2,233,040	-
	-29%	(2,233,040)	-
2024	+21%	1,042,869	-
	-21%	(1,042,869)	-

11.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, have a rights issue or buy back of shares.

	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Debt / Equity	57.4%	65.2%	39.8%	46.2%

12. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Investment in unquoted equity shares - Note 28.1
- Property, plant and equipment under revaluation model - Note 22.3
- Investment properties - Note 24
- Financial Instruments (including those carried at amortised cost) - Note 13

Accounting policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

The services of external valuers are obtained for valuation of significant assets, such as land and building and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

12. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES (CONTD.)

12.1 Fair value measurement hierarchy - Group

The Group held the following financial instruments carried at fair value in the Statement of Financial Position:

In Rs.'000s		Level 1		Level 2		Level 3		Total	
As at 31 March		2025	2024	2025	2024	2025	2024	2025	2024
FINANCIAL ASSETS									
Non-listed equity investments		-	-	280	280	44,055	79,216	44,335	79,496
Listed equity investments		7,807,619	7,744,702	139	133	-	-	7,807,758	7,744,835
Quoted debt instruments		22,579,505	22,330,268	149,513	106,248	-	-	22,729,018	22,436,516
Unquoted debt instruments		-	-	14,647	26,316	-	-	14,647	26,316
Interest rate swap		-	-	2,228,046	3,294,625	-	-	2,228,046	3,294,625
Total		30,387,124	30,074,970	2,392,625	3,427,602	44,055	79,216	32,823,804	33,581,788
NON FINANCIAL ASSETS									
Assets measured at fair value	Note								
Land and buildings	22.1	-	-	-	-	240,435,249	72,706,582	240,435,249	72,706,582
Buildings on leasehold land	22.1	-	-	-	-	30,272,270	28,716,875	30,272,270	28,716,875
Investment properties	24	-	-	-	-	31,382,118	31,518,824	31,382,118	31,518,824
Total		-	-	-	-	302,089,637	132,942,281	302,089,637	132,942,281

In determining the fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

All the other financial instruments were properly categorized and during the period were not materially different from the transaction prices at the date of initial recognition. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income fair valuation was done as of 31 March 2025.

Financial assets at fair value through Profit and loss

There may be an increase in the amount of subjectivity involved in fair value measurements, and as such, a greater use of unobservable inputs will be required because relevant observable inputs are no longer available. This will have a direct impact to the policyholder profit or loss where diversification of the portfolio with the unaffected and growing industries will mitigate the risk.

12.2 Fair value measurement hierarchy - Company

In Rs.'000s	Level 2		Level 3	
As at 31 March	2025	2024	2025	2024
FINANCIAL ASSETS				
Non-listed equity investments	-	-	35,181	43,666
Interest rate swap	2,228,046	3,294,625	-	-
	2,228,046	3,294,625	35,181	43,666

12.3 Reconciliation of fair value measurements of level 3 financial instruments

The Group and Company carries unquoted equity shares are classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below:

In Rs.'000s	GROUP	COMPANY
	Fair value through other comprehensive income	
As at 1 April 2024	79,216	43,666
Disposals	(26,684)	-
Remeasurement recognised in OCI	(8,477)	(8,485)
As at 31 March 2025	44,055	35,181

Fair valuation done as at 31 March 2025 for all unquoted equity shares are classified as Level 3 within the fair value hierarchy using fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES

Accounting policy

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and short term investments.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

Financial assets at fair value through OCI
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

Equity Instruments
Financial assets designated at fair value through OCI
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as financial assets at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as finance income in the statement of profit or loss when the right of payment has been established.

Dividends received from equity instruments have been disclosed in Note 17.

Financial assets - derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

Based on the nature of the sector and the company, the Group is using appropriate and company specific LGD's and PD's when calculating the expected credit loss.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income statement.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting - Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

13.1 Financial assets and liabilities by categories in accordance with SLFRS 9

GROUP

In Rs.'000s As at 31 March	Financial assets at amortised cost 2025	Financial assets at amortised cost 2024	Financial assets at fair value through OCI 2025	Financial assets at fair value through OCI 2024
Financial instruments in non-current assets/non-current liabilities				
Non-current financial assets / liabilities	59,366,819	54,849,214	17,068,697	19,368,145
Interest-bearing loans and borrowings	-	-	-	-
Leases liabilities	-	-	-	-
Financial instruments in current assets / current liabilities				
Trade and other receivables / payables	31,807,731	28,377,205	-	-
Amounts due from / due to related parties	580,135	674,179	-	-
Short term investments / borrowings	77,033,027	69,376,083	5,466,869	2,794,192
Cash in hand and at bank	15,146,008	15,417,894	-	-
Interest-bearing loans and borrowings	-	-	-	-
Leases liabilities	-	-	-	-
Bank overdrafts	-	-	-	-
Total	183,933,720	168,694,575	22,535,566	22,162,337

13.2 Financial assets and liabilities by categories in accordance with SLFRS 9

COMPANY

In Rs.'000s As at 31 March	Financial assets at amortised cost 2025	Financial assets at amortised cost 2024	Financial assets at fair value through OCI 2025	Financial assets at fair value through OCI 2024
Financial instruments in non-current assets/non-current liabilities				
Non-current financial assets / liabilities	2,347,921	3,468,026	35,181	43,666
Interest-bearing loans and borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Financial instruments in current assets/current liabilities				
Trade and other receivables / payables	711,855	460,682	-	-
Amounts due from / due to related parties	840,848	1,290,846	-	-
Short term investments / borrowings	61,799,205	57,805,464	-	-
Cash in hand and at bank	495,140	556,930	-	-
Interest-bearing loans and borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Bank overdrafts	-	-	-	-
Total	66,194,969	63,581,948	35,181	43,666

	Financial assets at fair value through profit or loss		Total		Financial liabilities measured at amortised cost/fair value	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	148,612	264,457	76,584,128	74,481,816	-	11,387,177
	-	-	-	-	137,120,024	127,169,502
	-	-	-	-	27,399,695	28,080,571
	-	-	31,807,731	28,377,205	66,727,203	42,582,596
	-	-	580,135	674,179	541,657	448,743
	7,911,580	7,860,367	90,411,476	80,030,642	15,518,937	21,062,456
	-	-	15,146,008	15,417,894	-	-
	-	-	-	-	26,673,221	23,216,942
	-	-	-	-	2,632,051	3,884,003
	-	-	-	-	31,098,674	32,450,187
	8,060,192	8,124,824	214,529,478	198,981,736	307,711,462	290,282,177

	Total		Financial liabilities measured at amortised cost/fair value	
	2025	**2024**	**2025**	**2024**
	2,383,102	3,511,692	-	10,201,449
	-	-	72,926,884	55,044,493
	-	-	101,101	109,139
	711,855	460,682	538,055	1,463,935
	840,848	1,290,846	96,333	88,841
	61,799,205	57,805,464	4,100,000	13,909,261
	495,140	556,930	-	-
	-	-	14,514,447	7,670,053
	-	-	8,038	6,961
	-	-	5,213,163	8,303,941
	66,230,150	63,625,614	97,498,021	96,798,073

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

The management assessed that, cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

Fair value of quoted equities, debentures and bonds is based on price quotations in an active market at the reporting date.

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of the unquoted ordinary shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

13.3 Derivative financial instruments

	GROUP				COMPANY			
Cash-flow hedges	Contract notional amount in USD '000s		Fair value In Rs.'000s		Contract notional amount in USD '000s		Fair value In Rs.'000s	
As at 31 March	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Interest rate swap - Derivative asset	100,000	100,000	2,228,046	3,294,625	100,000	100,000	2,228,046	3,294,625

Accounting judgements, estimates and assumptions

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTES TO THE INCOME STATEMENT, STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

14. REVENUE

Accounting policy

14.1 Total revenue

14.1.1 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.

Services transferred over time

Under SLFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

14.1.2 Revenue from insurance contracts

Revenue from insurance contracts comprise of gross written premiums net of premium ceded to reinsurers.

14.2 Disaggregation of revenue

The Group presented disaggregated revenue with Group's reportable segments based on timing of revenue recognition and geographical region in the operating segment information section.

For the year ended 31 March **In Rs.'000s**	Note	GROUP **2025**	GROUP 2024	COMPANY **2025**	COMPANY 2024
Timing of revenue recognition					
Goods transferred at a point in time		238,620,799	207,061,370	-	-
Services transferred over time		57,808,567	55,277,005	3,180,195	2,916,390
Total revenue from contracts with customers	14.1.1	296,429,366	262,338,375	3,180,195	2,916,390
Revenue from insurance contracts	14.1.2	20,948,360	18,434,229	-	-
Total revenue		317,377,726	280,772,604	3,180,195	2,916,390

For the better understanding of the Industry segment revenue, please refer Note 8.3 - 8.5 Business Segment analysis - Disaggregation of revenue.

14.3 Reconciliation of revenue

Reconciliation between revenue from contracts with customers and revenue for each reportable segment has been provided in the operating segment information section.

14.4 Contract balances

Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed.

In Rs.'000s		GROUP			
		Contract balances		Performance obligations satisfied	
As at / for the year ended 31 March	Note	**2025**	2024	**2025**	2024
Contract assets		350,470	286,539	257,885	-
Contract liabilities					
Other non current liabilities	40	414,610	395,686	316,549	-
Trade and other payables	41	281,436	179,618	179,618	355,053
Other current liabilities	43	2,839,026	2,761,597	2,623,517	3,490
		3,535,072	3,336,901	3,119,684	358,543

14.5 Performance obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Transportation

This operating segment provides an array of transportation related services, which primarily include a marine bunkering business, shipping, logistics and air transportation multinationals as well as travel and airline services. In providing airline services, net revenue is recognised at a point in time upon the sale of tickets as the entity is deemed as the agent. Total transaction price is comprised of cost and commission which is equal to the total ticketing service fee.

In providing Marine Services, the principal activity of the entity is to supply bunker services to their customers, in exchange for a bunker fee. The performance obligation can be termed as bunkering services. Revenue is recognised at a point in time, upon supply of the bunker to the vessels. Transaction price shall comprise of cost and mark up which is equal to total bunkering fee.

14. REVENUE (CONTD.)

Consumer Foods

Consumer Foods segment focuses on manufacturing of a wide range of beverages, frozen confectionery, processed meat and dairy products. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognition.

Retail

The Retail segment focuses on modern organised retailing through a chain of supermarkets. The office automation business comprises of distribution of printers, copiers, smartphones and other office automation equipment.

Revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Customers who purchase from outlets may enter the entity's customer loyalty programme and earn points that are redeemable against future purchases of the entity's products. The entity will allocate a portion of the transaction price to the loyalty programme based on relative standalone selling price.

Leisure

Leisure segment comprises of city hotels, resort hotels, as well as destination management business.

The revenue for providing the services are usually recognised at or after the guests' departure, over the period of stay or at the point of arrival of guests. The entity identifies the services under each contract as one performance obligation. The revenue is accounted based on the output method. Since revenue will be based on the final good or service provided, the output method will provide a faithful depiction in recognising revenue.

In providing destination management services, the entity acts as the principal. Customer receives and consumes the benefits of the entity's performance, as and when the service is performed. Therefore, revenue is recognised at gross over the period, based on the output method. The timing and the amount of cash flow will vary according to the agreements.

Transaction price shall comprise of supplier fee and company mark-up, summing up to be the Gross Service fee. The advance payments are recognised as a liability. Upon provision of the services, the liability is set off and revenue is recognised over the period.

Property

Property industry group concentrates on property development and property management.

At inception of the contract, the entity determines whether it satisfies the performance obligation over time or at a point in time. Timing and amount of cash flow will be determined according to the agreement.

Financial Services

Financial Services provides a complete range of financial solutions including commercial banking, life insurance, stock broking, debt trading, fund management and leasing. The services under one contract can be identified as one performance obligation.

Entity determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the entity recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The output method will provide a faithful depiction in recognising revenue.

Others

Others represents companies in the Plantation Industry, Information Technology, Management and Investments companies. The main streams of revenue; Management fees, BPO service fees and Consultancy fees, are recognised over a period of time, depending on service level agreements.

Some contracts include multiple deliverables. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Remaining performance obligations

The Group applies the practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 March 2025.

15. DIVIDEND INCOME

Accounting policy

Dividend

Dividend income is recognised when right to receive the payment is established.

	COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**
Dividend income from investments in subsidiaries and equity accounted investees	10,696,939	11,503,190

16. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting policy

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments in subsidiaries, joint ventures and associates, are accounted in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

Any losses arising from guaranteed rentals are accounted for, in the year of incurring the same. A provision is recognised if the projection indicates a loss.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

16.1 Other operating income

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Promotional income and commission fee	2,634,951	2,269,364	-	-
Exchange gains	11,979	741,872	-	-
Profit on sale of property, plant and equipment, investment properties and intangible assets	211,797	8,214	23	11
Sundry income	1,218,001	1,490,967	133,248	125,257
	4,076,728	4,510,417	133,271	125,268

16.2 Other operating expenses

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Provisions and impairment losses	-	638,900	265,977	-
Heat, light and power	2,304,057	2,959,811	-	-
Other overheads	5,551,099	4,589,601	129,649	86,595
	7,855,156	8,188,312	395,626	86,595

During the year under review, an impairment on the investments in the Company's subsidiaries, Mack International Freight (Pvt) Ltd and Keells Realtors Ltd, was recognised by the Company.

The Group balance for the last year includes an asset write-off amounting to Rs.639 Mn relating to the closure of the 'K-Zone' mall in Ja-Ela for the development of the 'VIMAN' residential project.

17. NET FINANCE INCOME

Accounting policy

Finance income

Finance income comprises of interest income on funds invested including interest income from the life insurance fund of Union Assurance PLC, dividend income, gains on the disposal of fair value through OCI financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquiree that are recognised in the income statement and exchange gains from financial instruments designated for financing activities.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of fair value through OCI financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement and exchange losses arised from financial instruments designated for financing activities.

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

		GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	Note	**2025**	**2024**	**2025**	**2024**
Net finance income					
Finance income					
Interest income	17.1	17,436,906	18,027,120	4,786,206	5,787,333
Dividend income on					
Financial assets at fair value through profit or loss		241,469	154,075	-	-
Financial assets at fair value through other comprehensive income		5,771	2,314	-	-
Realised gains on financial assets at fair value through profit or loss		964,442	841,411	-	-
Unrealised gains on financial assets at fair value through profit or loss		1,213,593	1,012,306	-	-
Investment related direct expenses		(127,559)	(101,831)	-	-
Exchange gains		876,094	2,632,244	20,415	-
Total finance income		20,610,716	22,567,639	4,806,621	5,787,333
Finance cost					
Interest expense on borrowings		(14,263,720)	(13,822,692)	(8,347,189)	(7,763,946)
Finance charge on lease liabilities	23.1.2	(2,379,855)	(2,012,793)	(13,868)	(1,193)
Finance charge on convertible debentures		(1,799,073)	(3,833,366)	(1,799,073)	(3,833,366)
Exchange loss		-	-	-	(372,036)
Total finance cost		(18,442,648)	(19,668,851)	(10,160,130)	(11,970,541)
Net finance income		2,168,068	2,898,788	(5,353,509)	(6,183,208)

17.1 Interest income

For the year ended 31 March In Rs.'000s	GROUP 2025	GROUP 2024
Interest income from Union Assurance PLC	11,789,673	11,085,318
Interest income of the Group excluding Union Assurance PLC	5,647,233	6,941,802
Total interest income	17,436,906	18,027,120

18. PROFIT BEFORE TAX

Accounting policy

Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's performance.

For the year ended 31 March In Rs.'000s	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Profit before tax				
Profit before tax is stated after charging all expenses including the following;				
Remuneration to executive directors	931,327	761,051	348,778	262,282
Remuneration to non executive directors	97,569	83,817	30,020	25,752
Costs of defined employee benefits				
Defined benefit plan cost	760,178	804,199	65,543	66,581
Defined contribution plan cost - EPF and ETF	2,198.780	1,733,566	160,431	133,331
Other long term employee benefits cost	(22,400)	(24,139)	-	-
Staff expenses	30,775,745	26,132,892	1,691,329	1,322,384
Share based payments	416,388	341,011	120,786	94,585
Auditors' remuneration				
Audit	86,038	77,435	13,890	12,730
Non-audit	30,620	10,925	23,554	1,240
Depreciation of property, plant and equipment	9,024,428	6,545,420	43,440	44,805
Amortisation of intangible assets	1,227,761	987,012	38,226	28,034
Amortisation of right of use assets	3,825,874	3,931,743	15,447	1,287
Provisions and impairment losses	-	638,900	265,977	-
Profit on sale of property, plant and equipment, investment properties and intangible assets	(211,797)	(8,214)	(23)	(11)
Donations	63,647	42,559	-	-

19. EARNINGS PER SHARE

Accounting policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for outstanding share options) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

19. EARNINGS PER SHARE (CONTD.)

19.1 Basic earnings per share

For the year ended 31 March **In Rs.'000s**	Note	GROUP 2025	GROUP 2024
Profit attributable to equity holders of the parent		5,326,374	11,248,152
Weighted average number of ordinary shares	19.3	16,727,676	16,274,792
Basic earnings per share		0.32	0.69

19.2 Diluted earnings per share

Profit attributable to equity holders of the parent		5,326,374	11,248,152
Adjusted weighted average number of ordinary shares	19.3	16,766,926	16,277,850
Diluted earnings per share		0.32	0.69

19.3 Amount used as denominator

For the year ended 31 March **Number of shares** **In Rs.'000s**	GROUP 2025	GROUP 2024
Ordinary shares at the beginning of the year	1,498,820	1,384,917
Effect of conversion of convertible debentures	269,844	9,167
Bonus element on right issue	3,551	3,551
Sub division of ordinary shares	14,876,096	14,876,096
Effect of share options and rights exercised	79,365	1,061
Weighted average number of ordinary shares in issue before dilution	16,727,676	16,274,792
Effects of dilution from:		
Share option scheme	39,250	3,058
Adjusted weighted average number of ordinary shares	16,766,926	16,277,850

20. DIVIDEND PER SHARE

For the year ended 31 March	COMPANY 2025 Rs	COMPANY 2025 In Rs.'000s	COMPANY 2024 Rs	COMPANY 2024 In Rs.'000s
Equity dividend on ordinary shares declared and paid during the year				
Final dividend (Previous years' final dividend paid in the current year)	0.50*	749,818	0.50	692,458
Interim dividends	0.10	1,707,265	1.00	1,388,015
Total dividend	0.60	2,457,083	1.50	2,080,473

* The dividend per share of 50 cents is prior to the sub-division of shares in ratio of 10 shares for every one share held. The equivalent value taking the sub-division into account would be 5 cents per share. Refer Note 34.1 for further details.

21. TAXES

Accounting policy

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanisms.

The Group has complied with the arm's length principles relating to transfer pricing as prescribed in the Inland Revenue Act.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and unused tax credits and tax losses carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and tax losses carried forward can be utilised except:

- Where the deferred income tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deducible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

No deferred tax asset or liability has been recognised in the companies which are enjoying the Board of Investment (BOI) tax holiday period, if there are no qualifying assets or liabilities beyond the tax holiday period.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on the purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

IFRIC interpretation 23 uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

21. TAXES (CONTD.)

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions and Group determined that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

21.1 Tax expense

		GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	Note	**2025**	**2024**	**2025**	**2024**
Income statement					
Current tax charge	21.5	6,628,458	4,909,128	-	-
(Over)/Under provision of current tax of previous years		(32,251)	(386,891)	-	-
Irrecoverable tax (economic service charge and remittance tax)	21.7	104,940	129,812	6,828	6,296
Deferred tax charge/(reversal)					
Relating to origination and reversal of temporary differences	21.2	1,255,926	1,234,341	146,293	-
	21.6	7,957,073	5,886,390	153,121	6,296
Other comprehensive income					
Deferred tax charge/(reversal)					
Relating to origination and reversal of temporary differences	21.2	958,799	1,109,091	-	-
		958,799	1,109,091	-	-

21.2 Deferred tax expense

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Income statement				
Deferred tax expense arising from;				
Accelerated depreciation for tax purposes	51,936	(86,531)	(1,150)	2,790
Revaluation of investment properties to fair value	3,580	68,180	-	-
Retirement benefit obligations	(53,387)	(94,965)	(2,585)	(13,265)
Reversal / (Benefits) arising from tax losses	1,088,770	1,790,033	-	235,770
Unrealised capital gains/others	165,027	(442,376)	150,028	(225,295)
Deferred tax charged/(reversal) directly to Income Statement	1,255,926	1,234,341	146,293	-
Other comprehensive income				
Deferred tax expense arising from;				
Actuarial losses on defined benefit obligations	132,652	(124,195)	-	-
Revaluation of land and building to fair value	826,147	1,233,286	-	-
Deferred tax charged/(reversal) directly to OCI	958,799	1,109,091	-	-

Temporary differences associated with the undistributed reserves in subsidiaries for which a deferred tax liability has not been recognised, amounts to Rs.2,120 Mn (2024 - Rs.2,068 Mn). The deferred tax effect on undistributed reserves of subsidiaries has not been recognised since the parent can control the timing of the reversal of these temporary differences.

21.3 Income tax liabilities

As at 31 March In Rs.'000s	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
At the beginning of the year	1,824,765	1,798,855	258,214	888,214
Charge for the year	6,596,207	4,522,237	-	-
Payments and set off against refunds	(6,444,109)	(4,496,327)	-	(630,000)
At the end of the year	1,976,863	1,824,765	258,214	258,214

21.4 Deferred tax

	GROUP				COMPANY	
	ASSETS		LIABILITIES		LIABILITIES	
As at 31 March In Rs.'000s	2025	2024	2025	2024	2025	2024
At the beginning of the year	1,716,261	2,582,275	21,222,258	19,687,569	2,841,984	2,841,984
Charge and release	(356,467)	(684,825)	1,858,258	1,658,607	146,293	-
Transfers / exchange differences	116,386	(181,189)	124,462	(123,918)	-	-
At the end of the year	1,476,180	1,716,261	23,204,978	21,222,258	2,988,277	2,841,984
The closing deferred tax asset and liability balances relate to the following;						
Revaluation of land and buildings to fair value	(705,879)	(589,663)	14,165,015	14,427,658	-	-
Revaluation of investment properties to fair value	-	(23,850)	715,280	165,193	-	-
Accelerated depreciation for tax purposes	(609,895)	(398,616)	4,890,667	3,155,993	12,639	13,789
Employee benefit liability	209,720	195,119	(602,387)	(502,664)	(100,050)	(97,465)
Losses available for offset against future taxable income	1,431,982	1,648,541	(343,996)	(1,342,732)	-	235,770
Net gain / loss on fair value through OCI	72,873	72,873	-	-	-	-
Unrealised capital gains / others	1,077,379	811,857	4,380,399	5,318,810	3,075,688	2,689,890
	1,476,180	1,716,261	23,204,978	21,222,258	2,988,277	2,841,984

A deferred tax liability for the Group amounting to Rs.955 Mn (2024 – Rs.955 Mn) has been recognised based on the impact of declared dividends of subsidiaries and the Group's portion of distributable reserves of equity accounted investees.

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes including VAT. Significant judgement was required to determine the total provision for current, deferred and other taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax law at the time of the preparation of these financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

The Group has contingent tax liability amounting to Rs.3,076 Mn (2024 - Rs.2,352 Mn). These have been arrived at after discussing with independent legal and tax experts and based on information available. All assumptions are revisited as of the reporting date.

21. TAXES (CONTD.)

21.5 Reconciliation between current tax charge and the accounting profit

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Profit before tax	14,881,337	18,013,924	3,671,464	4,258,609
Dividend income from Group companies	19,705,471	13,646,673	-	-
Share of results of equity accounted investees (net of tax)	(10,778,954)	(10,129,014)	-	-
Other consolidation adjustments	10,421	(565,516)	-	-
Profit after adjustments	23,818,275	20,966,067	3,671,464	4,258,609
Exempt (profits) / losses	3,488,358	(4,086,556)	-	-
Income not liable for income tax	(4,183,336)	(4,658,673)	(3,294,489)	(4,315,723)
Resident dividend	(14,393,424)	(13,220,469)	(10,678,779)	(11,485,030)
Adjusted accounting profit chargeable to income taxes	8,729,873	(999,631)	(10,301,804)	(11,542,144)
Disallowable expenses	32,356,274	32,566,774	8,675,735	11,439,497
Allowable expenses	(20,333,603)	(17,890,882)	(1,311,005)	(3,176,879)
Utilisation of tax losses	(3,743,772)	(4,944,757)	(5,353)	(305,826)
Current year tax losses not utilised	4,108,022	4,824,241	2,942,427	3,585,352
Qualifying payment deductions	(8,853)	(817)	-	-
Taxable income	21,107,941	13,554,928	-	-
Income tax charged at:				
Standard rate	6,509,580	4,702,049	-	-
Other concessionary rates	118,878	207,079	-	-
Current tax charge	6,628,458	4,909,128	-	-

21.6 Reconciliation between tax expense and the product of accounting profit

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Adjusted accounting profit chargeable to income taxes	8,729,873	(999,631)	(10,301,804)	(11,542,144)
Tax effect on chargeable profits	4,386,482	2,780,062	146,293	-
Tax effect on non deductible expenses	672,346	645,448	-	-
Tax effect on deductions claimed	(311,761)	(262,310)	-	-
Net tax effect of unrecognised deferred tax assets for the year	3,089,478	2,980,269	-	-
Under/(over) provision for previous years	(32,251)	(386,891)	-	-
Deferred tax due to carried forward tax losses	47,839	-	-	-
Other income based taxes:				
Irrecoverable tax (economic service charge and remittance tax)	104,940	129,812	6,828	6,296
Tax expense	7,957,073	5,886,390	153,121	6,296

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

21.7 Irrecoverable tax (economic service charge and remittance tax)

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Irrecoverable tax (economic service charge and remittance tax)	104,940	129,812	6,828	6,296
	104,940	129,812	6,828	6,296

21.8 Tax losses carried forward

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Tax losses brought forward	14,456,443	12,872,655	1,230,471	1,230,471
Adjustments on finalisation of liability	2,386,193	456,987	-	-
Tax losses arising during the year	813,778	6,071,558	-	-
Utilisation of tax losses	(3,743,772)	(4,944,757)	-	-
	13,912,642	14,456,443	1,230,471	1,230,471

The Group has tax losses amounting to Rs.13,913 Mn (2024 - Rs.14,456 Mn) are available to offset against future taxable profits of the companies in which the tax losses arose.

21.9 Applicable rates of income tax

The tax liability of resident companies are computed at the standard rate of 30% except for the following companies which enjoy full or partial exemptions and concessions.

COMPANY / SECTOR	Basis	Exemptions or concessions	Period
Exemptions / concessions granted under the Inland Revenue Act			
Sancity Hotels & Properties Ltd (Subsidiary of Capitol Hotel Holdings (Pvt) Ltd)	Construction and operation of a tourist hotel	Exempt	12 years from 1st year of profit or 2 years from operations
Cinnamon Hotel Management Ltd	Export of services	- do -	Open ended
Cinnamon Hotel Management International (Pvt) Ltd	- do -	- do -	- do -
Walkers Tours Ltd	- do -	- do -	- do -
Whittall Boustead Travels Ltd	- do -	- do -	- do -
John Keells International (Pvt) Ltd	- do -	- do -	- do -
Infomate (Pvt) Ltd	- do -	- do -	- do -
John Keells Information Technology (Pvt) Ltd	- do -	- do -	- do -
Exemptions / concessions granted under the Board of Investment Law			
Asian Hotels and Properties PLC	Construction and operation of office, apartment complex and a hotel	2% of turnover	15 years from 1st April 2014
Beruwala Holiday Resorts (Pvt) Ltd	Construction and operation of a tourist hotel	15%	Open ended from 1st April 2022
Waterfront Properties (Pvt) Ltd	Integrated super luxury tourist resort	Exempt	10 years from 1st year of profit or 3 years from operations

21. TAXES (CONTD.)

21.10 Income tax rates of off-shore subsidiaries

Country of incorporation	Company	Rate
India	John Keells Foods India (Pvt) Ltd	25%
Mauritius	John Keells BPO International (Pvt) Ltd	15%
	John Keells BPO Holdings (Pvt) Ltd	15%
Republic of Maldives	Fantasea World Investments (Pte) Ltd	15%
	Travel Club (Pte) Ltd	15%
	Tranqulity (Pte) Ltd	15%
	John Keells Maldivian Resorts (Pte) Ltd	15%
	Mack Air Services Maldives (Pte) Ltd	15%
Singapore	John Keells Singapore (Pte) Ltd	17% (Max)

22. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation. This is not applicable to buildings on leasehold land located in Maldives, given the finite life of the lease and the nature and type of buildings.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. The Group has adopted a policy of revaluing assets by professional valuers at least every 5 years, except for properties held for rental and occupied mainly by group companies, which are revalued by professional valuers at least every 3 years.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets is as follows:

Assets	Years
Buildings (other than hotels)	50
Hotel buildings	up to 70
Plant and machinery	10 - 25
Equipment	2 - 15
Furniture and fittings	2 - 15
Motor vehicles	4 - 10
Returnable containers	10
Vessels	10 - 25
Other	3 - 20

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of property plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of other comprehensive income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

22. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

22.1 Property, plant and equipment - Group

As at 31 March **In Rs.'000s**	Land and buildings	Buildings on leasehold land	Plant and machinery	Equipment, furniture and fittings
Cost or valuation				
At the beginning of the year	74,265,598	50,212,187	20,592,458	21,000,468
Additions	304,505	1,517,187	1,332,660	2,527,141
Disposals	-	(40,274)	(456,859)	(608,201)
Revaluations	1,385,313	1,455,178	-	-
Transfers (from revaluation adjustment)	(338,433)	(660,274)	-	-
Transfers	166,979,391	18,121	39,007,468	8,807,013
Exchange differences	-	(259,107)	(29,864)	(162,890)
At the end of the year	242,596,374	52,243,018	60,445,863	31,563,531
Accumulated depreciation and impairment				
At the beginning of the year	(1,559,016)	(9,605,716)	(10,750,841)	(12,803,406)
Charge for the year	(1,004,488)	(2,068,934)	(2,231,369)	(2,346,174)
Disposals	-	9,963	435,731	563,141
Transfers (from revaluation adjustment)	338,433	660,274	-	-
Transfers	63,946	68,153	-	9,284
Exchange differences	-	102,012	22,751	139,716
At the end of the year	(2,161,125)	(10,834,248)	(12,523,728)	(14,437,439)
Carrying value				
As at 31 March 2025	240,435,249	41,408,770	47,922,135	17,126,092
As at 31 March 2024	72,706,582	40,606,471	9,841,617	8,197,062

* Other category includes Freezers, Coolers, Crates, Base stocks, Circulation assets and Life style assets.

During the year 2024/2025 there was no depreciation capitalised as a part of the cost of other assets.

22.2 Property, plant and equipment - Company

As at 31 March **In Rs.'000s**	Plant and machinery	Equipment, furniture and fittings	Motor vehicles	**2025 Total**	**2024 Total**
Cost					
At the beginning of the year	3,454	408,066	50,162	461,682	440,004
Additions	-	23,608	-	23,608	22,713
Disposals	-	(1,356)	-	(1,356)	(1,035)
At the end of the year	3,454	430,318	50,162	483,934	461,682
Accumulated depreciation and impairment					
At the beginning of the year	(3,203)	(300,662)	(40,232)	(344,097)	(299,584)
Charge for the year	(3)	(43,437)	-	(43,440)	(44,805)
Disposals	-	481	-	481	292
At the end of the year	(3,206)	(343,618)	(40,232)	(387,056)	(344,097)
Carrying value					
As at 31 March 2025	248	86,700	9,930	96,878	
As at 31 March 2024	251	107,404	9,930		117,585

Motor vehicles Freehold	Returnable containers	Others*	Vessels	Capital work in progress	2025 Total	2024 Total
1,184,564	1,004,449	7,967,570	1,125,661	247,475,081	424,828,036	400,294,155
136,755	75,149	1,227,682	130,557	39,800,699	47,052,335	35,772,762
(33,319)	(72)	(369,953)	(155,549)	(4,755)	(1,668,982)	(1,254,561)
-	-	-	-	-	2,840,491	4,497,632
-	-	-	-	-	(998,707)	(748,103)
-	-	2,237,192	-	(221,439,258)	(4,390,073)	(377,028)
(15,371)	-	(15,346)	-	(48)	(482,626)	(13,356,821)
1,272,629	1,079,526	11,047,145	1,100,669	65,831,719	467,180,474	424,828,036
(718,651)	(759,343)	(5,045,535)	(596,994)	-	(41,839,502)	(38,197,156)
(88,312)	(67,143)	(1,117,214)	(100,794)	-	(9,024,428)	(6,545,420)
31,572	72	352,374	155,549	-	1,548,402	883,630
-	-	-	-	-	998,707	748,103
-	-	159	-	-	141,542	21,140
13,572	-	14,371	-	-	292,422	1,250,201
(761,819)	(826,414)	(5,795,845)	(542,239)	-	(47,882,857)	(41,839,502)
510,810	253,112	5,251,300	558,430	65,831,719	419,297,617	
465,913	245,106	2,922,035	528,667	247,475,081		382,988,534

22.3 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings, with the exception of the buildings on leasehold land located in Maldives, which amount to Rs.11,136 Mn (2024- Rs.11,890 Mn). The Group engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs. The most recent revaluation was carried out on 31 December 2024.

The changes in fair value are recognised in other comprehensive income and in the statement of equity. The valuer has used valuation techniques such as market values and discounted cash flow methods.

22. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

22.3 Revaluation of land and buildings (Contd.)

Details of Group's land, building and other properties stated at valuation are indicated below;

Property	Name of the Chartered Valuation Surveyor	Method of valuation	Significant unobservable inputs			
			Estimated price per perch	Estimated price per square foot	Estimated discount rate	Correlation to fair value
Land and Building						
Asian Hotels & Properties PLC	P B Kalugalagedara	CMA	Rs.18,000,000 - Rs.21,000,000	Rs.3,500 - Rs.16,000	-	Positive
Beruwala Holiday Resorts (Pvt) Ltd	S Fernando	IA	Rs.1,100,000 - Rs.1,400,000	Rs.5,500 - Rs.9,350	9%	Negative
Ceylon Cold Stores PLC	L I Silva / G H A P K Fernando	CMA/ DRC	Rs.100,000 - Rs.325,000	Rs.950 - Rs.5,500	-	Positive
Ceylon Holiday Resorts Ltd	S Fernando	CMA	Rs.600,000 - Rs.1,500,000	Rs.3,000 - Rs.4,500	-	Positive
Hikkaduwa Holiday Resort (Pvt) Ltd	-do-	CMA	Rs.1,250,000	Rs.1,750 - Rs.4,000	-	Positive
Kandy Walk Inn Ltd	-do-	IA	Rs.17,500 - Rs.1,750,000	Rs.1,750 - Rs.10,000	9%	Negative
Keells Food Products PLC	L I Silva	CMA/ DRC	Rs.73,500 - Rs.775,000	Rs.420 - Rs.3,650	-	Positive
Keells Realtors Ltd	P B Kalugalagedara	CMA	Rs.2,000,000	Rs.300 - Rs.1,500	-	Positive
Mackinnons Keells Ltd	-do-	CMA	Rs.11,000,000	Rs.1,700	-	Positive
Tea Smallholder Factories PLC	L I Silva	DRC	Rs.5,313 - Rs.45,938	Rs.550 - Rs.3,200	-	Positive
Trinco Holiday Resort (Pvt) Ltd	S Fernando	IA	Rs.500,000	Rs.1,500 - Rs.6,750	9%	Negative
Union Assurance PLC	P B Kalugalagedara	CMA/IA	Rs.9,000,000 - Rs.22,000,000	Rs.20,000 - Rs.30,000	-	Positive
Vauxhall Land Developments (Pvt) Ltd	-do-	CMA	Rs.18,350,000	-	-	Positive
Buildings on leasehold land						
Ceylon Cold Stores PLC	L I Silva	CMA	-	Rs.525 - Rs.5,775	-	Positive
Ceylon Holiday Resorts Ltd	S Fernando	IA	-	Rs.8,500 - Rs.17,000	9.5%	Negative
Colombo Ice Company	L I Silva	CMA	-	Rs.2,650 - Rs.9,450	-	Positive
Habarana Lodge Ltd	S Fernando	IA	-	Rs.1,000 - Rs.12,000	4%-9.65%	Negative
Habarana Walk Inn Ltd	-do-	IA	-	Rs.2,500 - Rs.9,500	4%-9.65%	Negative
Hikkaduwa Holiday Resort (Pvt) Ltd	-do-	IA	-	Rs.4,500 - Rs.9,000	9.5%	Negative
Jaykay Marketing Service (Pvt) Ltd	P B Kalugalagedara	IA	-	Rs.25 - Rs.300	6%	Negative
John Keells Warehousing (Pvt) Ltd	L I Silva	DRC/IA	-	Rs.750 - Rs.9,500	-	Positive
Keells Food Products PLC	-do-	CMA/ DRC	-	Rs.160 - Rs.12,600	-	Positive
Logipark International (Pvt) Ltd	P B Kalugalagedara	IA	-	Rs.10,000 - Rs.16,000	6%	Negative
Rajawella Holdings Ltd	-do-	CMA/DRC	-	Rs.1,900 - Rs.9,500	-	Positive
Trans Asia Hotels PLC	-do-	CMA	-	Rs.475 - Rs.12,000	-	Positive
Yala Village (Pvt) Ltd	S Fernando	IA	-	Rs.2,000 - Rs.9,250	9.5%	Negative

Effective date of valuation was 31 December 2024.

Summary description of valuation methodologies;

Comparable market approach (CMA)

This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Depreciated replacement cost (DRC)

The replacement cost method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Income approach (IA)

The income approach is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

22.4 The carrying amount of revalued land and buildings if they were carried at cost less depreciation and impairment, would be as follows;

	GROUP	
As at 31 March **In Rs.'000s**	**2025**	**2024**
Cost	51,394,355	49,572,663
Accumulated depreciation and impairment	(8,692,003)	(7,358,672)
Carrying value	42,702,352	42,213,991

22.5 Security on pledged assets, usage of fully depreciated assets and borrowing costs capitalized

		GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	Note	**2025**	**2024**	**2025**	**2024**
Land and buildings with a carrying value have been pledged as security for term loans obtained	37.2	281,518	249,170	-	-
Cost of property, plant, and equipment that is fully depreciated but continues to be in use		16,150	15,842	892	771
Borrowing costs capitalised during the year		4,885	7,839	-	-

23. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting Policy

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset .

The Group uses 6 months AWPLR / SOFR based plus margin when calculating the incremental borrowing rate which reflects the average rate of borrowings in the Group. Quarterly calculated incremental borrowing rates were used to discount new leases obtained during the year.

23. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTD.)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

23.1 Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March.

23.1.1 Right of use assets

	GROUP				COMPANY	
In Rs.'000s	Lease hold properties	Other	Total 2025	Total 2024	Lease hold properties 2025	Lease hold properties 2024
At the beginning of the year	48,685,021	7,596	48,692,617	54,184,946	122,286	-
Additions	1,889,136	48,675	1,937,811	2,276,514	-	123,573
Transfers	3,795,342	-	3,795,342	-	-	-
Modification adjustment	(715,797)	-	(715,797)	-	-	-
Disposals	(228,567)	-	(228,567)	(349,289)	-	-
Amortisation expense	(3,812,344)	(13,530)	(3,825,874)	(3,931,743)	(15,447)	(1,287)
Exchange differences	(375,848)	-	(375,848)	(3,487,811)	-	-
At the end of the year	49,236,943	42,741	49,279,684	48,692,617	106,839	122,286

23.1.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March.

	GROUP		COMPANY	
In Rs.'000s	**2025**	**2024**	**2025**	**2024**
At the beginning of the year	31,964,574	34,311,142	116,100	-
Additions	1,917,523	2,259,563	-	116,643
Transfers	(88,964)	(52,430)	-	-
Modification adjustment	(715,797)	-	-	-
Finance charge on lease liabilities	2,379,855	2,012,793	13,868	1,193
Disposals	(320,360)	(399,188)	-	-
Payments	(4,828,374)	(4,501,907)	(20,829)	(1,736)
Exchange differences	(276,711)	(1,665,399)	-	-
At the end of the year	30,031,746	31,964,574	109,139	116,100
Current	2,632,051	3,884,003	8,038	6,961
Non-current	27,399,695	28,080,571	101,101	109,139
Total lease liabilities as at 31 March	30,031,746	31,964,574	109,139	116,100
Following are the amounts recognised in income statement for the year ended 31 March				
Amortisation of right-of-use assets	3,825,874	3,931,743	15,447	1,287
Interest expense on lease liabilities	2,379,855	2,012,793	13,868	1,193
Total amount recognised in income statement	6,205,729	5,944,536	29,315	2,480

Expenses relating to short term leases and leases of low value assets amounting to Rs.833 Mn (2024 - Rs.874 Mn) and Rs.14 Mn (2024 - Rs.27 Mn) for the Group and the Company respectively was recognized in profit or loss.

24. INVESTMENT PROPERTIES

Accounting policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of investment properties includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to-day servicing of the investment properties. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are revaluated at least every 3 years by an accredited external, independent valuer. The most recent revaluation was carried out on 31 December 2024.

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for using accounting policy for property, plant and equipment.

	GROUP	
As at 31 March **In Rs.'000s**	**2025**	**2024**
Carrying value		
At the beginning of the year	31,518,824	33,029,385
Additions	22,428	17,349
Transfers and disposals	(1,115,896)	(1,339,102)
Net gain in fair value during the year	956,762	450,092
Impairment	-	(638,900)
At the end of the year	31,382,118	31,518,824
Freehold properties	30,254,894	30,423,964
Leasehold properties	1,127,224	1,094,860
	31,382,118	31,518,824
Following are the amounts recognised in income statement for the year ended 31 March		
Rental income earned	321,091	433,606
Direct operating expenses generating rental income	231,429	154,476
Direct operating expenses that did not generate rental income	-	-

Accounting judgments, estimates and assumptions

Fair value of the investment property is ascertained by independent valuations carried out by Chartered valuation surveyors, who have recent experience in valuing properties in similar locations and category. Investment property is appraised in accordance with LKAS 40, SLFRS 13 and the 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC) by the independent valuers. In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

The changes in fair value are recognised in the Income Statement. The determined fair values of investment properties, using income approach, are most sensitive to the estimated yield as well as the long term occupancy rate.

24. INVESTMENT PROPERTY (CONTD.)

Description of valuation techniques used and key inputs to valuation of investment properties:

Property	Name of the Chartered Valuation Surveyor	Method of valuation*	Significant unobservable inputs			
			Estimated price per perch	Estimated price per square foot	Estimated discount rate	Correlation to fair value
Freehold property						
Ahungalla Holiday Resort Ltd	S Fernando	CMA	Rs.300,000 - Rs.480,000	-	-	Positive
Asian Hotels and Properties PLC	P B Kalugalagedara	IA	-	-	6%	Negative
Ceylon Cold Stores PLC	L I Silva	CMA	Rs.2,000,000	Rs.2,100	-	Positive
Facets (Pvt) Ltd	S Fernando	CMA	Rs.575,000	-	-	Positive
Glennie Properties (Pvt) Ltd	P B Kalugalagedara	CMA	Rs.18,250,000	-	-	Positive
John Keells PLC	L I Silva	CMA	Rs.900,000	-	-	Positive
J K Thudella Properties (Pvt) Ltd	P B Kalugalagedara	CMA	Rs.450,000	-	-	Positive
Resort Hotels Ltd	S Fernando	CMA	Rs.135,000 - Rs.310,000	-	-	Positive
Trinco Walk Inn Ltd	-do-	CMA	Rs.165,000 - Rs.425,000	-	-	Positive
Vauxhall Land Developments (Pvt) Ltd	P B Kalugalagedara	CMA	Rs.18,350,000	-	-	Positive
Waterfront Properties (Pvt) Ltd	-do-	IA	-	-	6%	Negative
Whittall Boustead (Pvt) Ltd	-do-	CMA	Rs.3,000,000	Rs.500 - Rs.2,000	-	Positive
Wirawila Walk Inn Ltd	S Fernando	CMA	Rs.27,188	-	-	Positive
Leasehold property						
Jaykay Marketing Service(Pvt) Ltd	P B Kalugalagedara	IA	-	-	6%	Negative
Tea Smallholder Factories PLC	L I Silva	DRC	Rs.3,100,000	Rs.1,500 - Rs.3,200	-	Positive

* Summary description of valuation methodologies can be found in property, plant and equipment Note 22.3.

The level at which fair value measurement is categorised can be found in fair value measurement and related fair value disclosures Note 12.1.

Effective date of valuation was 31 December 2024.

25. INTANGIBLE ASSETS

Accounting policy

Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged to income statement in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and treated as accounting estimates. The amortisation is calculated by using straight-line method on the cost of all the intangible assets and the amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives and goodwill are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised as an intangible asset, when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete and its ability to use or sell the assets,
- how the assets will generate future economic benefits,
- the availability of resources to complete the assets,
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure of an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit from the use or expected future sales from the related project. During the period of development, the asset is tested for impairment annually.

Contractual relationships

Contractual relationships are rights which provide access to distribution networks. Contractual relationships are initially recognised at cost and amortised over the contract period.

A summary of the policies applied to the Group's intangible assets is as follows.

Intangible assets	Useful life	Type	Impairment testing
Purchased software	5 - 10	Acquired	When indicators of impairment exists. The amortisation method is reviewed at each financial year end.
Software license	5		
Contractual relationships	5 - 10		
Developed software	5 - 10	Internally generated	Annually for assets not yet in use and more frequently when indicators of impairment arise. For assets in use, when indicators of impairment arise. The amortisation method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

25. INTANGIBLE ASSETS (CONTD.)

25.1 Intangible assets

In Rs.'000s As at 31 March	Software			
	Developed	Purchased	Licenses	WIP
Cost/carrying value				
At the beginning of the year	4,728,970	1,384,399	2,445,535	1,271
Additions	3,366,579	87,803	232,299	16,040
Transfers	55,339	218,755	(19)	-
Disposal	(82,449)	(41)	(5,337)	-
Fair value adjustment	-	-	-	-
Exchange translation difference	-	(632)	-	-
At the end of the year	8,068,439	1,690,284	2,672,478	17,311
Accumulated amortisation and impairment				
At the beginning of the year	(1,389,434)	(785,910)	(1,560,495)	-
Amortisation	(489,948)	(171,188)	(305,781)	-
Transfers	-	(9,443)	-	-
Disposal	80,182	41	5,337	-
Exchange translation difference	-	173	-	-
At the end of the year	(1,799,200)	(966,327)	(1,860,939)	-
Carrying value				
As at 31 March 2025	6,269,239	723,957	811,539	17,311
As at 31 March 2024	3,339,536	598,489	885,040	1,271

Group Intangible assets with a cost of Rs.337 Mn (2024 - Rs.263 Mn) have been fully depreciated and continue to be in use by the Group.

25.2 Intangible assets - Goodwill

Goodwill acquired through business combinations have been allocated to following cash generating units (CGU's) for impairment testing,

As at 31 March **In Rs.'000s**	GROUP Net carrying value **2025**	**2024**
Cinnamon Hotels and Resorts	166,248	166,248
Consumer Foods	535,000	535,000
Financial Services	265,360	265,360
	966,608	966,608

The recoverable amounts of all CGUs have been determined based on the fair value, less cost to sell or the value in use (VIU) calculation.

			GROUP		COMPANY	
					Software	
	Goodwill	Contractual Relationships	2025 Total	2024 Total	2025 Total	2024 Total
	966,608	1,257,767	10,784,550	9,261,239	681,806	681,806
	-	6,791,346	10,494,067	1,523,452	2,780,095	-
	-	-	274,075	-	-	-
	-	-	(87,827)	(141)	-	-
	-	(12,000)	(12,000)	-	-	-
	-	-	(632)	-	-	-
	966,608	8,037,113	21,452,233	10,784,550	3,461,901	681,806
	-	(719,586)	(4,455,425)	(3,468,473)	(647,028)	(618,994)
	-	(260,844)	(1,227,761)	(987,012)	(38,226)	(28,034)
	-	-	(9,443)	-	-	-
	-	-	85,560	60	-	-
	-	-	173	-	-	-
	-	(980,430)	(5,606,896)	(4,455,425)	(685,254)	(647,028)
	966,608	7,056,683	15,845,337		2,776,647	
	966,608	538,181		6,329,125		34,778

Accounting judgments, estimates and assumptions

Impairment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates

This discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium, is 15%.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Volume growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the industry growth rates of one to four years immediately subsequent to the budgeted year. Cash flows beyond the five year period are extrapolated using 0% growth rate.

26. INVESTMENT IN SUBSIDIARIES

Accounting policy

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

26.1 Carrying value

As at 31 March In Rs.'000s	Note	COMPANY 2025	2024
Quoted	26.2	20,433,183	20,361,157
Unquoted	26.3	224,938,349	197,544,710
		245,371,532	217,905,867

26.2 Group quoted investments

As at 31 March	GROUP Number of shares	Effective holding %	COMPANY Number of shares	Effective holding %	2025 In Rs.'000s	2024 In Rs.'000s
Cost						
Asian Hotels and Properties PLC	347,824,190	78.56%	347,824,190	78.56%	5,382,585	5,379,784
Ceylon Cold Stores PLC	773,245,440	81.36%	671,558,120	70.66%	1,786,453	1,744,507
John Keells Hotels PLC	1,169,598,478	80.32%	1,169,598,478	80.32%	7,102,140	7,102,140
John Keells PLC	52,834,784	86.90%	52,834,784	86.90%	501,679	495,396
Keells Food Products PLC	22,937,250	88.63%	20,364,054	79.86%	1,248,091	1,244,012
Tea Smallholder Factories PLC	11,286,000	37.62%	11,286,000	37.62%	66,809	66,809
Trans Asia Hotels PLC	184,107,284	82.74%	97,284,256	48.64%	1,622,524	1,621,485
Union Assurance PLC	530,357,150	90.00%	530,357,150	90.00%	2,722,902	2,707,024
					20,433,183	20,361,157

As at 31 March In Rs.'000s	GROUP 2025	2024	COMPANY 2025	2024
Market Value				
Asian Hotels and Properties PLC	18,434,682	21,217,276	18,434,682	21,217,276
Ceylon Cold Stores PLC	63,406,126	41,677,929	55,067,766	36,196,983
John Keells Hotels PLC	23,625,889	21,754,532	23,625,889	21,754,532
John Keells PLC	3,909,774	3,423,694	3,909,774	3,423,694
Keells Food Products PLC	3,876,395	3,371,776	3,441,525	2,993,516
Tea Smallholder Factories PLC	452,569	468,369	452,569	468,369
Trans Asia Hotels PLC	7,272,238	7,842,970	3,842,728	4,144,309
Union Assurance PLC	28,692,322	24,820,715	28,692,322	24,820,715
	149,669,995	124,577,261	137,467,255	115,019,394

26.3 **Group unquoted investments**

As at 31 March	GROUP 2025 Number of shares	GROUP 2025 Effective holding %	COMPANY 2025 Number of shares	COMPANY 2025 Effective holding %	COMPANY 2025 Cost In Rs.'000s	COMPANY 2024 Cost In Rs.'000s
Ahungalla Holiday Resorts (Pvt) Ltd	13,691,542	80.32	-	-	-	-
Beruwala Holiday Resorts (Pvt) Ltd	219,725,653	79.78	-	-	3,106	3,586
British Overseas (Pvt) Ltd	61	61.00	61	61.00	-	-
Ceylon Holidays Resorts Ltd	27,909,931	79.83	-	-	4,681	3,893
Cinnamon Hotel Management Ltd	1,000,000	100.00	1,000,000	100.00	601,026	547,329
Cinnamon Hotel Management International (Pvt) Ltd	50,000	100.00	-	-	-	-
Cinnamon Holiday (Pvt) Ltd	20,000	80.32	-	-	-	-
Facets (Pvt) Ltd	615,000	100.00	615,000	100.00	6,000	-
Fantasea World Investments (Pte) Ltd	7,299	80.32	-	-	5,504	5,245
Glennie Properties (Pvt) Ltd	16,386,140	100.00	16,386,142	100.00	163,861	163,861
Habarana Lodge Ltd	12,981,548	78.99	-	-	5,533	4,794
Habarana Walk Inn Ltd	4,321,381	79.34	-	-	2,719	2,719
Hikkaduwa Holiday Resorts (Pvt) Ltd	107,596,700	79.83	-	-	4,729	3,428
Infomate (Pvt) Ltd	2,000,000	100.00	2,000,000	100.00	50,589	46,720
International Tourists and Hoteliers Ltd	38,490,901	79.78	-	-	-	-
J K Land (Pvt) Ltd	2,302,760,246	100.00	2,302,760,246	100.00	24,964,639	24,964,639
J K Packaging (Pvt) Ltd	1,450,000	100.00	1,450,000	100.00	-	-
J K Thudella Properties (Pvt) Ltd	45,346,760	100.00	-	-	-	-
JayKay Marketing Services (Pvt) Ltd	202,239,025	81.36	-	-	345,550	298,009
John Keells BPO Holdings (Pvt) Ltd	19,000,000	100.00	-	-	-	-
John Keells BPO International (Pvt) Ltd	1,500,000,000	100.00	-	-	-	-
John Keells BPO Solutions Lanka (Pvt) Ltd	32,843,578	100.00	-	-	-	-
John Keells Information Technology (Pvt) Ltd	9,650,000	100.00	9,650,000	100.00	127,925	126,362
John Keells Foods India (Pvt) Ltd	8,999,990	88.63	-	-	-	-
John Keells International (Pvt) Ltd	199,160,000	100.00	199,160,000	100.00	686,658	680,895
John Keells Logistics (Pvt) Ltd	19,999,998	100.00	19,999,998	100.00	238,210	233,839
John Keells Maldivian Resorts (Pte) Ltd	49,044,238	80.32	-	-	18,817	18,587
John Keells Office Automation (Pvt) Ltd	500,000	100.00	500,000	100.00	84,410	79,426
John Keells Properties (Pvt) Ltd	101,804	100.00	101,804	100.00	-	-
John Keells Properties Ja-Ela (Pvt) Ltd	95,436,000	100.00	-	-	-	-
John Keells Residential Properties (Pvt) Ltd	2,081,698	100.00	2,681,698	100.00	20,817	20,817
John Keells Singapore (Pte) Ltd	160,000	80.00	160,000	80.00	4,209	4,209
John Keells Stock Brokers (Pvt) Ltd	1,500,000	90.04	360,000	24.00	106,994	98,245
John Keells Teas (Pvt) Ltd	12,000	100.00	12,000	100.00	35,199	30,897
John Keells Warehousing (Pvt) Ltd	12,000,000	86.90	-	-	5,039	5,039
Kandy Walk Inn Ltd	6,165,484	79.03	-	-	4,094	4,094
Keells Consultants (Pvt) Ltd	928	100.00	928	100.00	2,070	2,070
Keells Realtors Ltd	7,500,000	95.81	5,100,000	40.00	80,349	119,124
Keells Shipping (Pvt) Ltd	50,000	100.00	50,000	100.00	-	-
Lanka Marine Services (Pvt) Ltd	34,805,470	99.44	34,805,470	99.44	1,442,094	1,426,805
Logipark International (Pvt) Ltd	60,407,698	81.36	-	-	1,283	894
Mack Air (Pvt) Ltd	89,260	100.00	89,260	100.00	56,717	50,174
Mack Air Services Maldives (Pte) Ltd	4,900	49.00	4,700	47.00	2,021	2,022
Mack International Freight (Pvt) Ltd	35,400,000	100.00	35,400,000	100.00	-	3,547
Mackinnon Keells Ltd	31,966,951	100.00	31,966,951	100.00	670,166	670,166

26. INVESTMENT IN SUBSIDIARIES (CONTD.)

26.3 Group unquoted investments (Contd.)

	GROUP		COMPANY			
As at 31 March	2025		2025			2024
	Number of shares	Effective holding %	Number of shares	Effective holding %	Cost In Rs.'000s	Cost In Rs.'000s
Mackinnon Mackenzie and Company (Shipping) Ltd	139,092	100.00	139,092	100.00	65,844	65,844
Mackinnon Mackenzie and Company of (Ceylon) Ltd	1,244	100.00	1,244	100.00	29,122	29,122
Mackinnons Travels (Pvt) Ltd	499,996	100.00	499,996	100.00	34,597	31,736
Mortlake (Pvt) Ltd	43	100.00	43	100.00	20,000	20,000
Nuwara Eliya Holiday Resorts (Pvt) Ltd	123,682	80.32	-	-	-	-
Rajawella Holdings Ltd	13,063,936	49.85	11,573,339	45.18	801,707	801,707
Rajawella Hotels Company Ltd	3,365,017	80.32	-	-	-	-
Resort Hotels Ltd	642,705	79.89	-	-	-	-
The Colombo Ice Company (Pvt) Ltd	169,999,999	81.36	-	-	2,328	1,786
Tranquility (Pte) Ltd	637,499	80.32	-	-	6,625	6,300
Trans-Ware Logistics (Pvt) Ltd	5,539,929	100.00	5,539,929	100.00	58,983	58,983
Travel Club (Pte) Ltd	29,059	80.32	-	-	3,693	3,693
Trinco Holiday Resorts (Pvt) Ltd	8,120,005	80.32	-	-	3,628	3,628
Trinco Walk Inn Ltd	3,000,007	80.32	-	-	-	-
Vauxhall Land Developments (Pvt) Ltd	2,171,655,391	100.00	-	-	-	-
Walkers Tours Ltd	3,737,634	98.05	3,737,634	98.05	214,920	206,357
Waterfront Properties (Pvt) Ltd	17,103,725,948	99.37	16,372,801,522	96.33	159,976,531	132,758,242
Waterfront Properties (Pvt) Ltd - Preference shares	2,806,822,014	-	2,806,822,014	-	31,933,105	31,933,105
Whittall Boustead (Pvt) Ltd	5,341,105	100.00	5,341,105	100.00	1,753,253	1,716,841
Whittall Boustead (Travel) Ltd	22,452,271	100.00	22,452,271	100.00	286,245	283,179
Wirawila Walk Inn Ltd	2,061,590	80.32	-	-	-	-
Yala Village (Pvt) Ltd	28,268,000	75.33	-	-	2,759	2,752
					224,938,349	197,544,710

27. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

Accounting policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Associate companies incorporated in Sri Lanka of the Group which have been accounted for under the equity method of accounting are:

Capitol Hotel Holdings Ltd
Colombo West International Terminal (Pvt) Ltd
Fairfirst Insurance Ltd
Indra Hotels and Resorts Kandy (Pvt) Ltd
Maersk Lanka (Pvt) Ltd
Nations Trust Bank PLC
Saffron Aviation (Pvt) Ltd
South Asia Gateway Terminals (Pvt) Ltd

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint ventures incorporated in Sri Lanka entered into by the Group, which have been accounted for using the equity method, are:

- Braybrooke Residential Properties (Pvt) Ltd.
- DHL Keells (Pvt) Ltd
- Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd
- John Keells CG Auto (Pvt) Ltd
- Sentinel Realty (Pvt) Ltd

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Nature of the entity's relationship, principal place of business and the country of incorporation is disclosed in group directory.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of results of equity accounted investees' in the Income Statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Income Statement.

The accounting policies of associate companies and joint ventures conform to those used for similar transactions of the Group. Accounting policies that are specific to the business of associate companies are discussed below.

Equity method of accounting has been applied for associates and joint ventures using their corresponding/matching 12 months financial period. In the case of associates, where the reporting dates are different to Group reporting dates, adjustments are made for any significant transactions or events up to 31 March.

27. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (CONTD.)

		GROUP				COMPANY			
	As at 31 March	Number of shares	Effective Holding %	2025 In Rs. '000s	2024 In Rs. '000s	Number of shares	Effective Holding %	2025 In Rs. '000s	2024 In Rs. '000s
27.1	**Investments in joint ventures**								
	Unquoted								
	Braybrooke Residential Properties (Pvt) Ltd	102	50.00	1,804,500	1,804,500	-	-	-	-
	DHL Keells (Pvt) Ltd	1,000,000	50.00	10,000	10,000	1,000,000	50.00	10,000	10,000
	Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd	164,520	60.00	16,452	16,452	164,520	60.00	16,452	16,452
	John Keells CG Auto (Pvt) Ltd	2,700,000	50.00	270,000	-	2,700,000	50.00	270,000	-
	Sentinel Realty (Pvt) Ltd	7,339,141	40.16	67,817	66,668	-	-	-	-
27.2	**Investments in associates**								
	Quoted								
	Nations Trust Bank PLC- Voting shares	84,330,823	29.48	2,555,903	2,388,956	56,408,580	19.72	1,811,849	1,658,080
	Nations Trust Bank PLC- Non voting shares	23,257,715	52.12	2,075,410	1,948,738	18,448,936	41.35	1,486,261	1,435,705
	Unquoted								
	Capitol Hotel Holdings (Pvt) Ltd	3,249,232	19.47	325,483	325,483	3,254,832	19.47	325,483	325,483
	Colombo West International Terminal (Pvt) Ltd	175,548,760	34.00	17,554,877	10,748,855	175,548,760	34.00	17,554,876	10,748,855
	Fairfirst Insurance Ltd	68,902,870	19.80	689,718	689,718	-	-	-	-
	Indra Hotels and Resorts (Pvt) Ltd	177,456,020	32.13	1,535,965	1,137,570	-	-	-	-
	Maersk Lanka (Pvt) Ltd	30,000	30.00	150	150	30,000	30.00	150	150
	Saffron Aviation (Pvt) Ltd	24,887,160	40.00	248,872	248,872	24,887,160	40.00	-	-
	Saffron Aviation (Pvt) Ltd - Preference shares	198,710,209	-	506,247	506,247	198,710,209	-	-	-
	South Asia Gateway Terminals (Pvt) Ltd	159,826,750	42.19	7,346,367	7,346,367	159,826,750	42.19	7,346,367	7,346,367
	Cumulative profit accruing to the Group net of dividend			15,729,870	10,307,388			-	-
	Share of net assets of equity accounted investees			11,017,860	10,605,240			-	-
				61,755,491	48,151,204			28,821,438	21,541,092

Group's shareholding in Nations Trust Bank PLC (NTB)

The Group currently holds a 29.48% stake of voting shares in NTB. In terms of the Banking Act No.30 of 1998, as amended, John Keells Group is to reduce its respective shares carrying voting rights to 15% and is required to take relevant action to comply with the said direction. The restriction on voting rights at 10% which is applicable to the John Keells Group continues to be in effect until the shareholding is reduced to 15%. As of 31 March 2025, the Group holds an economic interest of 32.55% in NTB.

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Market Value				
Quoted shares of Nations Trust Bank PLC				
Voting shares	16,022,856	8,937,472	10,717,630	5,978,243
Non voting shares	6,285,397	2,385,650	4,985,825	1,892,391
	22,308,253	11,323,122	15,703,455	7,870,634

27.3 SUMMARISED FINANCIAL INFORMATION OF EQUITY ACCOUNTED INVESTEES

In Rs.'000s	South Asia Gateway Terminals (Pvt) Ltd		Other associates		Joint ventures		Total	
As at/year ended 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Group share of;								
Revenue	13,709,588	12,663,859	18,535,009	16,390,797	5,206,935	7,282,133	37,451,532	36,336,789
Operating expenses including cost of sales	(7,236,747)	(6,893,824)	(6,757,519)	(8,980,371)	(4,650,695)	(6,169,415)	(18,644,961)	(22,043,610)
Net finance income	103,172	63,934	3,554	61,181	(557,547)	(801,326)	(450,821)	(676,211)
Tax expense	(2,122,199)	(551,101)	(5,451,468)	(2,695,359)	(3,129)	(241,494)	(7,576,796)	(3,487,954)
Share of results of equity accounted investees	4,453,814	5,282,868	6,329,576	4,776,248	(4,436)	69,898	10,778,954	10,129,014
Other comprehensive income	(93,948)	(1,087,942)	504,497	674,844	2,073	195	412,622	(412,903)
Total Comprehensive Income	4,359,866	4,194,926	6,834,073	5,451,092	(2,363)	70,093	11,191,576	9,716,111
Group share of;								
Total assets	13,283,213	13,636,693	268,709,428	205,697,451	18,986,902	15,577,813	300,979,543	234,911,957
Total liabilities	(2,233,224)	(3,123,833)	(220,526,819)	(170,766,467)	(16,643,168)	(13,049,612)	(239,403,211)	(186,939,912)
Net assets	11,049,989	10,512,860	48,182,609	34,930,984	2,343,734	2,528,201	61,576,332	47,972,045
Goodwill	-	-	165,899	165,899	13,260	13,260	179,159	179,159
	11,049,989	10,512,860	48,348,508	35,096,883	2,356,994	2,541,461	61,755,491	48,151,204
Capital commitments	522,074	529,253	219,615	532,853	562,357	562,357	1,304,046	1,624,463
Other commitments and Guarantees	-	-	144,587,073	122,248,890	33,550	-	144,620,623	122,248,890
Dividend received	3,822,736	4,019,962	1,083,736	1,449,008	450,000	440,000	5,356,472	5,908,970

The share of results of equity accounted investees in the Income Statement and the Statement of Other Comprehensive Income are shown net of all related taxes.

The Company has provided a sponsor support on behalf of Colombo West International Terminal (Pvt) Ltd to the partner shareholder for a loan facility provided to support project construction.

Other than disclosures in Note 45 and Note 46, the Group and the Company have neither contingent liabilities nor capital and other commitments towards its associates and joint ventures.

Material accounting policies that are specific to the business of equity accounted investees

Nations Trust Bank PLC (Bank)

Recognition of Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The specific recognition criteria must for recognition of income is explained below.

Interest income

The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. The Bank ceases the recognition of interest income on assets when it is probable that the economic benefits associated will not continue to flow to the Bank. Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is also recognised using the contractual interest rate in interest income.

27. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (CONTD.)

Net fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided in to the following three categories:

- Fee and commission income from services where performance obligations are satisfied over time include asset management, custody and other management and advisory services, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.
- Fee and commission income from providing services where performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/ participation or negotiation of lending transactions or other securities.
- Fee income forming an integral part of the corresponding financial instrument fees that the Bank considers to be an integral part of the corresponding financial instruments include: loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit related fees. The recognition of these fees (together with any incremental costs) form an integral part of the corresponding financial instruments and are recognised as interest income through an adjustment to the EIR.

Net gain/ (loss) from trading

Net gains/(losses) from trading includes all realised and unrealised foreign exchange transactions and unrealised fair value changes on fixed income securities.

Dividend Income

Dividend income is recognised when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

Rental Income

Rental income is recognised on an accrual basis.

Other Income

Other income is recognised on an accrual basis.

South Asia Gateway Terminals (Pvt) Ltd

Stevedoring revenue

Stevedoring revenue is recognised at the berthing time of the vessel.

Storage revenue

Storage revenue is recognised on the issue of delivery advice.

South Asia Gateway Terminals (Pvt) Ltd uses United States Dollar (USD) as its functional currency.

Fairfirst Insurance Ltd

Revenue from insurance contracts

General insurance business-gross written premium

Gross written premiums (GWP) comprise the total premiums received/ receivable for the whole period of cover provided by contracts entered into during the accounting period. GWP is generally written upon inception of the policy. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross written premium.

Insurance contract liabilities - general

Non-life insurance contract liabilities include the outstanding claims provision (Reserve for gross outstanding and incurred but not reported, and incurred and not enough reported - IBNR/ IBNER) and the provision for unearned premium and the provision for premium deficiency.

28. NON CURRENT FINANCIAL ASSETS

As at 31 March In Rs.'000s	Note	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Other quoted equity investments		139	133	-	-
Other unquoted equity investments	28.1	44,335	79,496	35,181	43,666
Other non equity investments	28.2	76,539,654	74,402,187	2,347,921	3,468,026
		76,584,128	74,481,816	2,383,102	3,511,692

28.1 Other unquoted equity investments

As at 31 March In Rs.'000s	GROUP Number of shares	GROUP 2025	GROUP 2024	COMPANY Number of shares	COMPANY 2025	COMPANY 2024
Asia Power (Pvt) Ltd	147,317	5,126	13,611	147,317	5,126	13,611
Other equity instruments		39,209	65,885		30,055	30,055
		44,335	79,496		35,181	43,666

28.2 Other non equity investments

As at 31 March In Rs.'000s	Note	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Debentures		7,606,328	7,458,459	-	-
Government securities		62,227,346	59,500,492	-	-
Deposits with non bank institution		377,893	230,495	-	-
Loans to executives	28.3	1,349,621	1,491,012	119,875	173,401
Loans to life policyholders	28.4	2,615,908	2,310,660	-	-
Reinsurance receivable		134,512	116,444	-	-
Cash flow hedge		2,228,046	3,294,625	2,228,046	3,294,625
		76,539,654	74,402,187	2,347,921	3,468,026

28.3 Loans to executives

As at 31 March In Rs.'000s	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
At the beginning of the year	1,906,877	1,616,868	194,203	172,753
Loans granted / transfers	1,017,129	1,436,215	55,000	87,533
Recoveries	(1,103,232)	(1,146,206)	(106,350)	(66,083)
At the end of the year	1,820,774	1,906,877	142,853	194,203
Receivable within one year	471,153	415,865	22,978	20,802
Receivable between one and five years	1,349,621	1,491,012	119,875	173,401
	1,820,774	1,906,877	142,853	194,203

28. NON CURRENT FINANCIAL ASSETS (CONTD.)

28.4 Loans to life policyholders

As at 31 March In Rs.'000s	GROUP 2025	GROUP 2024
At the beginning of the year	2,425,337	2,199,675
Loans granted / transfers	1,417,292	1,250,329
Recoveries	(1,109,977)	(1,024,667)
At the end of the year	2,732,652	2,425,337
Receivable within one year	116,744	114,677
Receivable between one and five years	2,615,908	2,310,660
	2,732,652	2,425,337

29. OTHER NON CURRENT ASSETS

	GROUP		COMPANY	
As at 31 March In Rs.'000s	2025	2024	2025	2024
Pre paid cost	473,416	605,218	39,580	14,635
Work-in-progress	1,402,849	1,597,893	-	-
Non current advances	1,109,003	999,825	66,705	80,605
	2,985,268	3,202,936	106,285	95,240

30. INVENTORIES

Accounting policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

- Raw materials - On a weighted average basis
- Finished goods and work-in-progress - At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity but excluding borrowing costs
- Other inventories – At actual cost

As at 31 March In Rs.'000s	GROUP 2025	GROUP 2024
Inventories		
Raw materials	1,763,613	1,806,790
Finished goods	14,643,065	13,442,283
Produce stocks	410,344	338,860
Other stocks	5,337,716	2,821,938
Apartments and commercial space	16,555,761	20,895,632
	38,710,499	39,305,503

During the year ended 31 March 2025, Rs.1,912 Mn (2024 - Rs.1,832 Mn) was recognised as an expense for inventories carried at net realisable value.

31. TRADE AND OTHER RECEIVABLES

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the year, Rs.830 Mn (2024 - Rs.543 Mn) and Rs.0.7 Mn (2024 -Nil) for the Group and the Company respectively, was recognised as a provision for expected credit losses on trade receivables.

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**Note**	**2025**	**2024**	**2025**	**2024**
Trade and other receivables		29,911,323	26,652,427	688,877	439,880
Reinsurance receivables		305,223	313,050	-	-
Premiums receivable		1,003,288	881,186	-	-
Loans to executives	28.3	471,153	415,865	22,978	20,802
Loans to life policyholders	28.4	116,744	114,677	-	-
		31,807,731	28,377,205	711,855	460,682

32. OTHER CURRENT ASSETS

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Prepayments and non cash receivables	8,172,167	7,765,046	722,421	3,130,466
Tax recoverable	2,484,242	2,539,714	14,141	14,141
	10,656,409	10,304,760	736,562	3,144,607

33. SHORT TERM INVESTMENTS

Short-term investments are liquid assets or cash, which are being held for a short period of time, with the primary purpose of controlling the tactical asset allocation.

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	Note	**2025**	**2024**	**2025**	**2024**
Quoted equities at market value	33.1	7,700,139	4,966,042	-	-
More than 3 months and less than 1 year					
Debentures		1,848,031	3,094,417	-	-
Bank deposits		47,695,937	41,278,855	41,631,916	41,000,808
Government securities		5,710,046	3,719,389	-	-
		62,954,153	53,058,703	41,631,916	41,000,808
Less than 3 months					
Debentures		407,893	658,324	-	-
Bank deposits		20,363,724	21,628,870	20,166,412	16,804,656
Government securities		6,685,706	4,684,745	877	-
Reported in statement of cash flow		27,457,323	26,971,939	20,167,289	16,804,656
		90,411,476	80,030,642	61,799,205	57,805,464

33. SHORT TERM INVESTMENTS (CONTD.)

33.1 Quoted equities at market value - Group

As at 31st March	Number of shares 2025	Number of shares 2024	Cost 2025 In Rs. '000s	Cost 2024 In Rs. '000s	Market value 2025 In Rs. '000s	Market value 2024 In Rs. '000s
Access Engineering PLC	14,630,868	10,418,795	426,969	183,226	563,288	235,465
ACL Cables PLC	4,539,591	-	455,558	-	553,830	-
Aitken Spence Hotel Holdings PLC	413,791	63,958	31,790	2,997	33,145	4,234
Aitken Spence PLC	857,088	2,284,705	94,156	244,201	109,493	297,583
Ceylon Tobacco Company PLC	-	197,619	-	170,180	-	242,726
Chevron Lubricants Lanka PLC	2,805,925	1,593,824	322,224	154,032	385,815	171,735
CIC Holdings PLC	3,325,520	-	330,422	-	332,361	-
Commercial Bank of Ceylon PLC	4,842,523	2,484,034	488,208	225,507	714,272	242,690
Dialog Axiata PLC	-	17,417,713	-	194,511	-	203,787
Digital Mobility Solutions Lanka Ltd	4,030,604	-	209,824	-	294,637	-
Distilleries Company of Sri Lanka PLC	-	3,903,677	-	99,474	-	105,009
Ex-pack Corrugated Cartons PLC	98,943	-	1,314	-	1,375	-
Hayleys Fabric PLC	8,702,960	6,044,803	366,442	235,429	391,633	248,441
Hatton National Bank PLC	163,329	5,832,821	41,058	784,714	49,815	1,045,564
Hayleys PLC	492,342	-	64,367	-	67,451	-
Hela Apparel Holdings PLC	4,264,993	15,871,596	31,952	143,935	15,780	96,817
Hemas Holdings PLC	420,718	4,897,886	45,237	294,000	50,486	393,790
JAT Holdings PLC	490,190	529,945	12,790	7,926	13,186	9,168
John Keells Holdings PLC	62,181,789	3,238,657	1,112,635	508,109	1,256,072	628,299
John Keells Hotels PLC	248,296	2,211,127	5,959	30,188	5,016	41,127
Lanka Orix Leasing Company PLC	30,006	-	16,925	-	17,846	-
LB Finance PLC	1,482,894	-	135,288	-	127,232	-
Melstacorp Limited	3,052,573	-	391,554	-	387,677	-
Nations Trust Bank PLC	438,605	-	83,792	-	83,335	-
Peoples Leasing and Finance PLC	16,543,046	3,612,531	244,330	41,177	296,121	39,738
Piramal Glass Ceylon PLC	-	2,388,666	-	64,880	-	70,466
RIL Property PLC	10,020	-	150	-	151	-
Royal Ceramics Lanka PLC	10,127,437	-	416,790	-	374,715	-
Sampath Bank PLC	393,290	3,000,220	40,908	207,649	48,178	240,018
Sierra Cables PLC	3,155,731	-	44,180	-	49,545	-
Singer Sri Lanka PLC	101,712	-	3,005	-	3,377	-
Sunshine Holdings PLC	12,119,083	4,997,813	138,633	208,327	260,560	297,370
Textured Jersey Lanka PLC	9,175,502	1,126,043	391,132	42,640	467,951	42,339
Tokyo Cement Company (Lanka) PLC	10,278,819	6,406,203	521,579	311,075	742,003	309,676
Vallible One PLC	64,367	-	3,782	-	3,793	-
			6,472,953	4,154,177	7,700,139	4,966,042

Above list mainly comprises of the investments made by Union Assurance PLC (UA) under the unit linked equity tracker fund.

34. STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

Accounting policy

The ordinary shares of John Keells Holdings PLC are quoted in the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are eligible for one vote per share at General Meetings of the Company. The Group has in place an Employee Share Option Plan. Please refer Note 35 for further details.

34.1 Stated capital

34.1.1 Rights issue

The Company raised Rs.24,042,175,200/- by way of a Rights Issue of 150,263,595 new Ordinary Shares, in the proportion of One (1) Ordinary Share for every Ten (10) Ordinary Shares, at an issue price of Rs.160/-per share. The new Ordinary Shares allotted from the Rights Issue were listed on 22 October 2024.

34.1.2 Share split

Subsequent to the issue of rights, the Sub-division of Ordinary Shares in the ratio of one (1) existing share post the Rights Issue into ten (10) Ordinary Shares was completed with recommencement of the trading of shares on 6 November 2024.

COMPANY				
As at 31 March	2025		2024	
	Number of shares In '000s	Value of shares In Rs.'000s	Number of shares In '000s	Value of shares In Rs.'000s
Fully paid ordinary shares				
At the beginning of the year	1,498,820	90,602,453	1,384,917	73,187,861
Conversion of convertible debentures	1,079,375	16,570,170	110,000	16,753,283
Right issue (1:10)	150,264	24,042,175	-	-
Sub-division of shares (1:10)	14,876,096	-	-	-
Share options exercised	20,075	1,296,715	3,903	661,309
At the end of the year	17,624,630	132,511,513	1,498,820	90,602,453

The number of shares in issue as at 31 March 2025 was 17,624,630,203.

A quantum of 291,664,802 shares (2024 - 27,397,640) have been reserved to be issued under the employee share option plan as at 31 March 2025.

34.2 Other components of equity

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	2025	2024	2025	2024
Revaluation reserve	45,402,974	43,808,213	-	-
Foreign currency translation reserve	71,114,386	71,649,151	-	-
Other capital reserve	3,396,430	8,495,016	3,396,430	8,495,016
Restricted regulatory reserve	4,219,498	3,626,604	-	-
Cash flow hedge reserve	2,228,047	3,294,625	2,228,047	3,294,625
Fair value reserve of financial assets at FVOCI	6,164,727	5,579,169	6,662	15,147
	132,526,062	136,452,778	5,631,139	11,804,788

34. STATED CAPITAL AND OTHER COMPONENTS OF EQUITY (CONTD.)

34.2 Other components of equity (Contd.)

The revaluation reserve consists of the net surplus on the revaluation of property, plant and equipment and present value of acquired in-force business (PVIB).

The foreign currency translation reserve comprises the net exchange movement arising from the currency translation of foreign operations and equity accounted investees into Sri Lankan rupees.

The other capital reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Restricted regulatory reserve

Union Assurance PLC (UA)
Based on the direction issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) dated 20 March 2018, and subsequent approval, UA has transferred Rs.3,382 Mn attributable to non-participating and non unit fund of unit linked business from the life policyholder fund to the life shareholder fund (SHF). The distribution of the one-off surplus to shareholders, held as part of the Restricted The regulatory Reserve, is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL. The one-off surplus in the SHF is represented by government debt securities as per the direction of the IRCSL.

Nations Trust Bank PLC (NTB)
The statutory reserve fund is maintained as per the requirements in terms of Section 20 of the Banking Act No 30 of 1988. Accordingly, a sum equivalent to 5% of profit after tax transferred to the reserve fund until the reserve fund is equal to 50% of the Bank's Stated Capital. Thereafter, a further 2% of profits will be transferred until the said reserve fund is equal to the Bank's stated Capital.

Cash flow hedge reserve includes the fair value changes on the effective portion of interest rate swaps designated as cash flow hedges.

The fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

35. SHARE-BASED PAYMENT PLANS

Accounting Policy

Employee share option plan - Equity-settled transactions
Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Group applies SLFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares from 1 April 2013 onwards.

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 19.2).

Employee share option scheme

Under the John Keells Group's Employees share option scheme (ESOP), share options of the parent are granted to executives of the Group generally with more than 12 months of service. The exercise price of the share options is equal to the 30 days volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. The performance criteria being a minimum performance achievement of "Met Expectations" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Share based payment expense during the year	416,388	341,011	120,786	94,585

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year;

	GROUP				COMPANY			
As at 31 March	**2025**		**2024**		**2025**		**2024**	
	No.	WAEP	No.	WAEP	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	27,397,640	134.41	35,295,775	137.44	8,581,135	134.35	10,711,776	138.07
Granted during the year	7,494,020	20.03	5,535,665	145.59	2,137,000	20.03	1,619,735	145.59
Transfers	-	-	-	-	(832,963)	17.51	-	-
Exercised during the year	(20,225,933)	31.76	(3,903,075)	135.20	(8,493,951)	31.42	(875,700)	136.03
Adjusted - sub division	277,631,748	N/A	-	-	84,974,526	N/A	-	-
Expired during the year	(632,673)	51.01	(9,530,725)	151.82	-	-	(2,874,676)	154.01
Outstanding at the end of the year	291,664,802	15.10	27,397,640	134.41	86,365,747	14.99	8,581,135	134.35
Exercisable at the end of the year	124,527,725	13.29	12,084,325	133.65	37,968,121	13.27	3,990,125	133.83
Weighted average market price at the date of exercise	N/A	71.48	N/A	188.18	N/A	87.80	N/A	190.83

Accounting judgements, estimates and assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments on the date at which they are granted. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

35. SHARE-BASED PAYMENT PLANS (CONTD.)

The following information was used and results were generated using binomial model for ESOP.

	COMPANY					
For the year ended 31st March	2025 Plan no 1 1 Award 3	2024 Plan no 11 Award 2.1	2024 Plan no 11 Award 2	2023 Plan no 11 Award 1	2022 Plan no 10 Award 3	2021 Plan no 10 Award 2
Dividend yield (%)	1.46	2.07	2.54	2.90	3.28	3.87
Expected volatility (%)	24.54	25.05	24.99	24.15	22.37	21.35
Risk free interest rate (%)	12.76	14.49	26.92	23.10	8.87	6.44
Expected life of share options (Years)	5	5	5	5	5	5
Weighted average share price at the grant date (Rs.)	194.00	158.36	137.83	119.85	132.63	134.74
Weighted average remaining contractual life for the share options outstanding (Years)	3	3	3	3	3	3
Weighted average fair value of options granted during the year (Rs.)	64.67	52.79	45.94	39.95	44.21	44.91
Un adjusted exercise price for options outstanding at the end of the year (Rs.)	200.74	145.59	137.86	121.91	136.64	132.86
Adjusted exercise price for options outstanding at the end of the year (Rs.)*	20.03	14.53	13.76	12.17	13.64	13.26

* Post adjustment for corporate actions at JKH since the grant date.

36. INSURANCE CONTRACT LIABILITIES

Accounting policy

Insurance contract liabilities

The long term and unit linked insurance business provisions are based on the recommendation of the independent external actuary following annual valuation of the life insurance business. The actuarial valuation takes into account all liabilities, including contingent liabilities and is based on assumptions recommended by the actuary.

36.1 Insurance contract liabilities

	GROUP	
As at 31 March **In Rs.'000s**	2025	2024
Insurance contract liabilities	81,981,069	68,936,451
Unclaimed benefits	573,935	574,416
	82,555,004	69,510,867

Life insurance contract liabilities

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using the gross premium valuation method as prescribed by the Regulation of Insurance Industry Act No. 43 of 2000. The liability is determined as the discounted value of the expected contractual cash outflows less the discounted value of the expected premiums. Valuation assumptions are derived based on the best estimate experience with a prescribed risk margin to allow for adverse deviations. Non-participating liabilities are discounted using the fund based yield of the non-participating insurance fund.

The value of participating policy liabilities is the higher of the value of the guaranteed benefits liability and the total benefits liability, derived at the Participating Insurance Fund level. In calculating the guaranteed benefits liability, only the guaranteed benefits are considered and the cashflows are discounted using the risk free interest rate yield curve. Total benefits liability includes all the guaranteed and non-guaranteed benefits, and discounted cashflows using the fund based yield of the Participating Insurance Fund.

Liability adequacy test (LAT)

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequacy test as laid out under SLFRS 4 - Insurance Contracts. The liability value is adjusted to the extent that it is sufficient to meet future benefits and expenses.

In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on management's prudent expectation of current market interest rates.

Any deficiency shall be recognised in the Income Statement by setting up a provision for liability adequacy.

Accounting judgements, estimates and assumptions

Product classification

SLFRS 4 requires contracts written by insurers to be classified as either insurance contracts or investment contracts depending on the level of insurance risk transferred.

Insurance contracts are contracts under which one party (the Insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Significant insurance risk exists if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction). The classification of contracts identifies both the insurance contracts that the company issues and reinsurance contracts that the company holds.

Contracts where the company does not assume a significant insurance risk is classified as investment contracts.

Investment contracts are those contracts that transfer significant financial risks and no significant insurance risks. Financial risk is the risk of a possible future change in one or more of a specified interest rates, financial instrument prices, commodity prices, foreign exchange rates, index of price or rates, credit ratings or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without discretionary participating features.

Discretionary Participating Features (DPF)

DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that;

- are likely to be a significant portion of the total contractual benefits;
- the amount or timing of which is contractually at the discretion of the issuer; and contractually based on:
- The performance of a specified pool of contracts or a specified type of contract,
- Realised and or unrealised investment returns on a specified pool of assets held by the issuer, and
- The profit or loss of the company, fund or other entity that issues the contract.

Derivatives embedded in an insurance contract or an investment contract with DPF are separated and fair valued through the income statement unless the embedded derivative itself is an insurance contract or investment contract with DPF. The derivative is also not separated if the host insurance contract and / or investment contract with DPF is measured at fair value through the profit and loss.

IRCSL regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the company may exercise its discretion as to the quantum and timing of their payment to contract holders. At least 90% of the eligible surplus must be attributed to contract holders as a group (which can include future contract holders) and the amount and timing of the distribution to individual contract holders is at the discretion of the company, subject to the advice of the appointed actuary. All DPF liabilities including unallocated surpluses, both guaranteed and discretionary, at the end of the reporting period are held within insurance contract liabilities, as appropriate.

36. INSURANCE CONTRACT LIABILITIES (CONTD.)

Valuation of life insurance contract liabilities

Long duration contract liabilities included in the life insurance fund, result primarily from traditional participating, non-participating life and universal life insurance products. Short duration contract liabilities are primarily group term. The actuarial reserves have been established based on the following;

- Non-participating liabilities and participating liabilities are discounted using their respective fund yield curves.
- Mortality rates based on published mortality tables adjusted for actual experience as required by regulations issued by the IRCSL.
- Surrender rates based on actual experience.

The amount of policyholder dividend to be paid is determined annually by the company. The dividend includes life policyholders' share of net income that is required to be allocated by the insurance contract.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapses, surrender rates and discount rates as further detailed in notes to the financial statements. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to the life style, which could result in significant changes to the expected future mortality exposure.

Estimates are also made for future investment income arising from the assets backing Life Insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. During the last year, Sri Lankan economy was impacted by geopolitical and foreign exchange issues which introduced very high levels of volatility to the economic markets. As a result the interest rates increased a lot impacting the value of assets and also our expectations about future economic conditions. The fund based yield curves used in calculation of actuarial reserves have been derived using estimates of future economic conditions which still remains volatile and evolving in nature.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the company's historical experience of lapses and surrenders.

Valuation of life insurance fund

The valuation of the conventional life insurance fund as at 31 December 2024 was carried out by Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India (Private) Limited and a sum of Rs.3,000 million was transferred from the conventional life insurance fund to the Shareholder Fund for the year 2024. Subsequent to the transfer the conventional life fund stood at Rs.78,077 million.

Similarly the non - unit fund of linked long term business valuation was carried out by Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India (Private) Limited and the non - unit fund stood at Rs.323 million.

In the opinion of the appointed actuary, the admissible assets of the conventional life insurance fund and the non - unit fund of linked long term business as at 31 December 2024 is adequate to cover the liabilities of the funds.

As at 31 March 2025, an internal actuarial valuation has been carried out for the conventional life insurance fund and the non unit fund of linked long term business. In the opinion, it was concluded that the admissible assets are adequate to cover the liabilities of the funds.

One-off surplus arising from change in policy liability valuation

The one-off surplus comprises of Rs.432.5 million attributable to participating business and Rs.2.5 million attributable to Unit Linked Fund and Rs.3,382 million attributable to Non-participating and Non-unit Fund of Unit Linked Business.

Based on the directions issued by the IRCSL dated 20 March 2018 and subsequent approval, the company has transferred Rs.3,382 million attributable to non-participating and non-unit fund of unit linked business from Policyholder Fund through Income Statement to Shareholder Fund and held as part of the Restricted Regulatory Reserve under equity in the statement of financial position.

One - off Surplus was determined as the difference between the NPV solvency basis liability and the GPV distribution basis liability as of 31 December 2015. This is calculated for Participating and other than participating funds, separately. Above basis is in line with the 'Minimum One - off Surplus' calculation basis provided in the IRCSL guideline.

Movement in Life Insurance fund

As at 31 December **In Rs.'000s**	**2024**	**2023**
Conventional life insurance fund		
Balance as at 1 January	64,797,623	55,179,789
Increase in life insurance fund before surplus transfer to shareholders	16,314,179	12,354,121
Transfer to shareholders	(3,000,000)	(2,800,000)
Effect of taxation on surplus / Bonus transferred to Policyholders	(23,983)	(21,149)
Net change in unclaimed benefits	(10,884)	84,862
Balance as at 31 December	78,076,935	64,797,623
Non unit fund of linked life insurance contracts		
Balance as at 1 January	245,761	251,104
Increase in non - unit fund of linked life insurance before surplus transfer to shareholders	69,692	98,872
Net change in unclaimed benefits	7,119	(104,215)
Balance as at 31 December	322,572	245,761
	78,399,507	65,043,384

Liability adequacy test (LAT) - Life insurance contract liabilities

As at 31 December 2024, liability adequacy test was performed by the appointed actuary Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India Private Limited who concluded that, the liability value is sufficient to meet future benefits and expenses. Hence, no provision was required to be made for any premium deficiency.

36.2 Change in life insurance contract liabilities

The results of Union Assurance PLC's (UA) life business segment is consolidated into the Group's Consolidated Income Statement. The change in life insurance contract liabilities represents the transfer to the Life Fund, the difference between all income and expenditure attributable to life policy holders during the year.

SUMMARISED FINANCIAL INFORMATION

For the year ended 31 March **In Rs.'000s**	**2025**	**2024**
Total revenue	20,948,360	18,434,229
Cost of sales	(11,230,889)	(10,340,332)
Gross profit	9,717,471	8,093,897
Operating expenses including distribution and administration expenses	(7,184,450)	(6,605,230)
Net finance income	14,129,097	12,837,204
Profit attributable to shareholders of UA	(3,416,032)	(3,492,543)
Change in insurance contract liabilities	13,246,086	10,833,328

Union Assurance PLC follows a risk mitigation approach for inherent uncertainty regarding the occurrence, amount or timing of insurance contract liabilities.

36. INSURANCE CONTRACT LIABILITIES (CONTD.)

36.2 Change in life insurance contract liabilities (Contd.)

The following table describes headline risks and responses.

Product	Key risks	Risk mitigation
Traditional participating	• Market risk: Investment return on underlying items falling below guaranteed minimum rates • Policyholder behaviour risk	• Management discretion to determine amount and timing of policyholder bonuses (within limits) • Surrender penalties
Non - participating	• Market risk: Insufficient fees to cover cost of guarantees and expenses • Policyholder behaviour risk	• Derivative hedging programme • Surrender penalties
Universal life	• Interest rate risk: Differences in duration and yield of assets and liabilities • Investment credit risk	• Matching of asset and liability cash flows • Investing in investment grade assets
Unit linked	• Market risk: Insufficient fees to cover expenses • Policyholder behaviour risk	• Surrender penalties • Product repricing

37. INTEREST-BEARING LOANS AND BORROWINGS

37.1 Movement

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
At the beginning of the year	150,386,444	172,618,318	62,714,546	70,252,715
Cash movement				
Loans obtained	36,031,878	2,106,129	31,800,000	-
Repayments	(20,424,540)	(12,009,810)	(6,320,800)	(2,512,500)
Non cash movement				
Accrued Interest (net)	(131,570)	(214,413)	(61,368)	(120,130)
Exchange differences	(2,068,967)	(12,113,780)	(691,047)	(4,905,539)
At the end of the year	163,793,245	150,386,444	87,441,331	62,714,546
Repayable within one year	26,673,221	23,216,942	14,514,447	7,670,053
Repayable after one year	137,120,024	127,169,502	72,926,884	55,044,493
	163,793,245	150,386,444	87,441,331	62,714,546

37.2 Security and repayment terms

As at 31 March	Nominal Interest rate	Repayment terms	Assets Pledged and Collaterals	2025 In Rs.'000s	2024 In Rs.'000s
John Keells Holdings PLC	Fixed rate	28 quarterly instalments commencing from December 2020	-	2,485,510	3,375,000
	Fixed rate	60 monthly instalments commencing from December 2020	-	1,575,000	3,675,000
	Fixed rate 6-month SOFR plus margin (on separate components of the loan)	12 semi annual instalments commencing from December 2024 after 4 years grace period	Freehold land held under Vauxhall Land Developments (Pvt) Ltd (VLD), pledge of shares held by the Group in Ceylon Cold Stores PLC and Union Assurance PLC.	50,113,275	53,452,046
	Fixed rate	60 monthly instalments commencing from June 2021	-	1,312,500	2,212,500
	Fixed for the first 3 years and 1 month AWPLR plus margin for next 2 years	60 monthly instalments commencing from December 2026	-	20,126,575	-
	Fixed rate	36 monthly instalments commencing from December 2025	-	10,011,726	-
	Fixed rate	12 quarterly instalments commencing from February 2025	-	1,816,745	-
				87,441,331	62,714,546
GROUP COMPANIES					
Asian Hotels and Properties PLC	Fixed rate	Repayable within 3 months	-	64,962	-
	AWPLR plus margin revised monthly	Repaid in full within one year	-	140,110	-
	Fixed rate	12 equal monthly instalments commencing from January 2023	-	-	126,359
Beruwala Holiday Resorts (Pvt) Ltd	1 month SOFR plus margin	23 monthly instalments commencing from August 2022	-	-	20,514
Ceylon Cold Stores PLC	Fixed rate	48 monthly instalments with one year grace period	-	130,052	231,452
	Monthly AWPLR on clean basis	48 monthly instalments commencing from October 2024 after one year grace period	-	875,314	758,212
Ceylon Holiday Resorts Ltd	Fixed rate	48 monthly instalments after a grace period of 12 months commencing from January 2023	Letter of Comfort from John Keells Holdings PLC	344,340	496,480
	Fixed for the first 5 years and 1 month AWPLR plus margin for the next 5 years	102 monthly instalments commencing from August 2022 after 18 months grace period	Corporate Guarantee from John Keells Hotels PLC	2,323,430	2,635,362
Fantasea World Investment (Pte) Ltd	3 months SOFR plus margin	22 quarterly instalments after 18 months grace period commencing from December 2018 and moratorium period of 12 months from March 2020 to February 2021	Leasehold rights of Island of Cinnamon Hakuraa Huraa.	2,299,482	3,554,934

37. INTEREST-BEARING LOANS AND BORROWINGS (CONTD.)

37.2 Security and repayment terms (Contd.)

As at 31 March	Nominal Interest rate	Repayment terms	Assets Pledged and Collaterals	2025 In Rs.'000s	2024 In Rs.'000s
Habarana Lodge Ltd	1 month SOFR plus margin	23 monthly installments commencing from August 2022	-	-	7,326
Hikkaduwa Holiday Resorts (Pvt) Ltd	1 month SOFR plus margin	23 monthly installments commencing from August 2022	-	-	19,877
	Fixed rate	72 monthly installments after a grace period of 12 months and moratorium period, commencing from July 2022	Corporate Guarantee from John Keells Hotels PLC	350,200	443,675
Jaykay Marketing Services (Pvt) Ltd	Fixed rate	20 equal quarterly installments	-	600,000	1,400,000
	Fixed rate	20 equal quarterly installments	-	400,000	900,000
	Fixed rate	Repayment on maturity - the date falling 36 months from the first drawdown date	-	-	2,000,000
	Fixed rate	Repayment on maturity - the date falling 36 months from the first drawdown date	-	2,000,000	-
	Fixed rate	24 equal monthly installments	-	233,750	-
John Keells Hotels PLC	AWPLR to be reviewed monthly	08 bi-annual installments commencing after 06 months of grace period	-	632,057	204,481
	Fixed for the first 3 years and 1 month AWPLR plus margin for the next 4 years	10 bi-annual installments commencing from June 2023 after 24 months grace period	Letter of Comfort from John Keells Holdings PLC	718,430	967,148
John Keells Logistics (Pvt) Ltd	Fixed rate	24 quarterly installments commencing from July 2023	-	463,750	510,125
John Keells Properties Ja-Ela (Pvt) Ltd	Monthly AWPLR	36 monthly installments	-	-	49,850
John Keells Warehousing (Pvt) Ltd	AWPLR plus margin	Monthly installments	-	66,400	-
Keells Food Products PLC	Fixed rate	Lump sum payment in April 2024	-	-	224,916
Logipark International (Pvt) Ltd	COF plus margin	15 quarterly installments and final bullet payment in the 58rth month with 12 months grace period commencing from October 2021	Mortgage over the property	1,416,957	2,376,957
Rajawella Holdings Ltd	Fixed rate	60 monthly installments	-	309,168	-
	1 month COF plus margin	60 monthly installments commenced from April 2020 after 1 year grace period	-	-	57,500
Trans Asia Hotels PLC	SOFR plus margin	24 monthly installments commencing from January 2023	-	-	110,726
	AWPLR plus margin	12 monthly installments	-	-	344,000
Tranquility (Pte) Ltd	3 months SOFR plus margin	26 quarterly installments after 12 months grace period commencing from September 2019 and moratorium period of 12 months from March 2020 to February 2021	Leasehold right on the Island of Kanuoiy Huraa in Kaafu (Male')	1,333,462	4,066,541

As at 31 March	Nominal Interest rate	Repayment terms	Assets Pledged and Collaterals	2025 In Rs.'000s	2024 In Rs.'000s
Trinco Holiday Resorts (Pvt) Ltd	AWPLR plus margin	13 monthly installments after a grace period of 12 months and debt moratorium, commencing from July 2022	-	-	12,253
	1 month SOFR plus margin	23 monthly installments commencing from August 2022	-	-	8,576
Walkers Tours Ltd	Fixed rate	60 monthly installments	Mortgage over the Vehicles	207,833	-
	Fixed rate	23 monthly installments commencing from September 2021 after 6 months grace period	-	-	32,872
Waterfront Properties (Pvt) Ltd	3 months SOFR plus margin	5-year loan with a 2-year grace period and back-ended capital payments	WPL's assets (other than the residential and office buildings), Sponsor support undertaking by John Keells Holdings PLC (JKH), Pledge of 19.2 Bn shares held by JKH in the company	61,442,217	66,093,775
Whittal Boustead (Travel) Ltd	364-days Treasury Bills rate plus margin	24 monthly installments	-	-	12,491
Yala Village (Pvt) Ltd	1 month SOFR based plus margin	23 monthly installments commencing from August 2022	-	-	5,496
				163,793,245	150,386,444

38. EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

Employee contribution plans - EPF/ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Employee defined benefit plan - gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation as at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

38.1 Employee benefit liabilities

		GROUP		COMPANY	
As at 31 March In Rs.'000s	**Note**	**2025**	**2024**	**2025**	**2024**
Employee defined benefit plan - gratuity	38.2	3,463,465	3,568,383	330,819	326,926
Other long term employee benefit	38.3	-	22,400	-	-
At the end of the year		3,463,465	3,590,783	330,819	326,926

38. EMPLOYEE BENEFIT LIABILITIES (CONTD.)

38.2 Employee defined benefit plan - gratuity

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
At the beginning of the year	3,568,383	2,513,093	326,926	219,756
Current service cost	359,632	346,920	26,931	22,939
Transfers	-	-	(4,315)	(637)
Interest cost on benefit obligation	400,546	457,279	38,612	43,642
Payments	(405,001)	(288,748)	(27,875)	(2,990)
(Gain) / loss arising from changes in assumptions	(460,095)	539,839	(29,460)	44,216
At the end of the year	3,463,465	3,568,383	330,819	326,926
The expenses are recognised in the income statement in the following line items;				
Cost of sales	293,243	341,939	4,964	4,686
Selling and distribution expenses	37,739	106,180	-	-
Administrative expenses	429,196	356,080	60,579	61,895
	760,178	804,199	65,543	66,581

38.3 Other long term employee benefits

	GROUP	
As at 31 March **In Rs.'000s**	**2025**	**2024**
At the beginning of the year	22,400	46,539
Current service cost	(22,400)	(26,332)
Interest cost	-	2,193
At the end of the year	-	22,400

Accounting judgements, estimates and assumptions

Employee benefit liability - gratuity

The employee benefit liability of the Group is based on the actuarial valuation carried out by independent actuarial specialists. The actuarial valuations are involve in making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The principal assumptions used in determining the cost of employee benefits were:

For the year ended 31 March	2025	2024
Discount rate	9.00% - 12.00%	11.00% - 13.00%
Future salary increases	6.00% - 9.00%	11.00% - 12.00%

The adjusted treasury bond rate for the credit spread has been used as the discounted rate.

38.4 Sensitivity of assumptions used

A percentage change in the assumptions would have the following effects to employee defined benefit plan - gratuity.

As at 31 March **In Rs.'000s**	GROUP **2025**	GROUP **2024**	COMPANY **2025**	COMPANY **2024**
Discount rate:				
1% Increase	(144,495)	(159,683)	(9,439)	(10,507)
1% Decrease	100,704	138,798	10,036	11,256
Salary Increment rate:				
1% Increase	112,433	145,586	11,065	11,689
1% Decrease	(157,340)	(261,347)	(10,566)	(11,096)

38.5 Maturity analysis of the payments

The following payments are expected on employee benefit plan - gratuity in future years.

As at 31 March **In Rs.'000s**	GROUP **2025**	GROUP **2024**	COMPANY **2025**	COMPANY **2024**
Within the next 12 months	207,260	244,365	733	22,222
Between 1 and 2 years	213,616	227,810	-	-
Between 2 and 5 years	2,252,027	2,012,204	320,506	304,704
Between 5 and 10 years	692,967	968,710	-	-
Beyond 10 years	97,595	115,294	9,580	-
Total expected payments	3,463,465	3,568,383	330,819	326,926
Weighted average duration (years) of defined benefit obligation	6.77	6.33	4.14	4.30

39. NON CURRENT FINANCIAL LIABILITIES

Accounting policy

Group classifies all financial non current liabilities under non current financial liabilities which include forward contract liabilities and construction retention liabilities of the Waterfront integrated resort project.

As at 31 March **In Rs.'000s**	**Note**	GROUP **2025**	GROUP **2024**	COMPANY **2025**	COMPANY **2024**
Construction retention		-	1,185,728	-	-
Convertible debentures	39.1	-	10,201,449	-	10,201,449
		-	11,387,177	-	10,201,449

39.1 Conversion of balance convertible debentures issued to HWIC Asia Fund (HWIC)

On 24 January 2025, HWIC exercised its option to convert the final remaining balance of 98,125,000 debentures, with a face value of Rs.12.76 Bn. As previously announced on 29 February 2024, HWIC had already converted 110,000,000 debentures.

Accordingly, JKH has issued and listed 1,079,375,000 new ordinary shares of the Company. Stated capital was increased by the balance attributable to the converted number of shares from the liability component recognised under Non current Financial Liabilities and the initial equity portion recognised under Other Capital Reserves.

40. OTHER NON CURRENT LIABILITIES

Accounting policy

Group classifies all non-financial non current liabilities under other non current liabilities which include non refundable advances and deposits.

	GROUP	
As at 31 March **In Rs.'000s**	**2025**	**2024**
Contract liabilities	414,610	395,686
Deposits	125,689	111,259
Other deferred liabilities	180,400	108,500
	720,699	615,445

41. TRADE AND OTHER PAYABLES

Accounting policy

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year.

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Trade and other payables	64,584,892	41,764,296	538,055	1,463,935
Contract liabilities	281,436	179,618	-	-
Reinsurance payables	98,899	317,748	-	-
Advances and deposits	1,761,976	320,934	-	-
	66,727,203	42,582,596	538,055	1,463,935

Trade and other payables are non-interest bearing and settled within one year. Reinsurance payables are settled within one year. For further explanation on the Group's liquidity risk management process refer Note 11.2.2.

42. SHORT TERM BORROWINGS

Accounting policy

Short term borrowings are the interest bearing borrowings of the Group which fall due within 12 months from the end of the financial year. These are obtained for working capital requirements.

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Bank borrowings	15,518,937	21,062,456	4,100,000	13,909,261
	15,518,937	21,062,456	4,100,000	13,909,261

43. OTHER CURRENT LIABILITIES

Accounting policy

The Group classifies all non-financial current liabilities under other current liabilities.

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Non refundable deposits	1,347,857	1,174,573	-	-
Contract liabilities	2,839,026	2,761,597	-	-
Other tax payables	3,296,019	2,732,341	22,709	21,441
	7,482,902	6,668,511	22,709	21,441

44. RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The Group and the Company carried out transactions in the ordinary course of business with the following related entities. The list of Directors at each of the subsidiaries, joint venture and associate companies have been disclosed in the Group Directory under the Supplementary Information section of the Annual Report.

Governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee" and Group directory.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the company as per 31 March 2024 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

44.1 Amounts due from related parties

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**Note**	**2025**	**2024**	**2025**	**2024**
Entity including its affiliated entities with significant influence over parent		36,944	65,356	-	-
Subsidiaries	44.5	-	-	628,904	1,075,491
Equity accounted investees		543,191	608,823	211,944	215,355
Key management personnel		-	-	-	-
		580,135	674,179	840,848	1,290,846

44.2 Amounts due to related parties

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**Note**	**2025**	**2024**	**2025**	**2024**
Entity including its affiliated entities with significant influence over parent		519,935	436,731	-	-
Subsidiaries	44.6	-	-	96,303	83,853
Equity accounted investees		21,722	12,012	30	4,988
Key management personnel		-	-	-	-
		541,657	448,743	96,333	88,841

44. RELATED PARTY TRANSACTIONS (CONTD.)

44.3 Transactions with related parties

For the year ended 31 March **In Rs.'000s**	Note	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Entity including its affiliated entities with significant influence over parent					
Sale of goods		-	5,667	-	-
Purchase of goods		4,351,926	1,890,322	-	-
Rendering of services		62,532	60,699	-	-
Subsidiaries					
Purchases of goods		-	-	5,307	15,896
Rendering of services	44.5	-	-	2,467,962	2,307,582
Receiving of services	44.6	-	-	531,038	472,380
Rent paid		-	-	48,638	38,949
Dividend received		-	-	6,380,516	6,507,034
Equity accounted investees					
Sales of goods		96,065	22,200	-	-
Rendering of services	44.5	1,219,051	1,115,096	578,831	606,219
Receiving of services		255,590	199,163	362	71
Interest received	44.4	984,011	1,167,604	777,541	1,161,726
Interest paid	44.4	141,448	105,236	3	8
Dividend received		-	-	4,311,811	4,996,156
Key management personnel (KMP)					
Sale of goods		-	-	-	-
Close family members of KMP					
Sale of goods		-	-	-	-
Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members					
Rendering of services		6,469	7,314	-	-
Receiving of services		34,013	32,361	-	-
Post employment benefit plan					
Contributions to the provident fund		462,172	404,540	141,486	120,080

44.4 Transactions with related parties - Associates

For the year ended 31 March **In Rs.'000s**	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Nations Trust Bank PLC				
Interest received	984,011	1,167,604	777,541	1,161,726
Interest paid	141,448	105,236	3	8

The Group held interest bearing deposits of Rs.15,286 Mn (2024 - Rs.14,560 Mn) at Nations Trust Bank PLC as at 31 March 2025.

44.5 Related party transactions and balances

For the year ended/As at 31 March In Rs.'000s	COMPANY Rendering of services 2025	2024	Amounts due from 2025	2024
Subsidiaries				
Asian Hotels and Properties PLC	81,361	81,641	16,654	30,896
Beruwala Holiday Resorts (Pvt) Ltd	21,753	20,567	2,812	2,325
Ceylon Cold Stores PLC	262,130	363,575	24,670	156,975
Ceylon Holiday Resorts Ltd	21,353	20,599	2,142	2,338
Cinnamon Hotel Management Services Ltd	1,567	1,528	131	255
Fantasea World Investments (Pte) Ltd	10,105	10,350	1,089	942
Habarana Lodge Ltd	16,591	16,236	2,098	1,791
Habarana Walk Inn Ltd	12,844	12,617	1,620	1,324
Hikkaduwa Holiday Resorts (Pvt) Ltd	16,806	16,567	2,361	1,845
InfoMate (Pvt) Ltd	134,879	123,715	29,201	67,876
JayKay Marketing Services (Pvt) Ltd	691,094	626,886	190,798	468,989
John Keells Information Technologies (Pvt) Ltd	85,542	94,956	19,790	13,488
John Keells International (Pvt) Ltd	10,114	9,500	862	811
John Keells Logistics (Pvt) Ltd	44,809	46,254	75,661	74,797
John Keells Maldivian Resorts (Pte) Ltd	5,313	6,011	517	464
John Keells Office Automation (Pvt) Ltd	52,213	49,359	23,812	41,303
John Keells PLC	26,962	28,180	2,919	3,606
John Keells Stock Brokers (Pvt) Ltd	18,444	17,728	-	-
John Keells Teas Ltd	3,732	3,642	451	1,018
John Keells Warehousing (Pvt) Ltd	5,034	4,791	529	466
Kandy Walk Inn Ltd	15,795	15,581	1,946	1,544
Keells Consultants (Pvt) Ltd	4,696	4,432	1,073	624
Keells Food Products PLC	67,826	66,446	6,135	6,994
Lanka Marine Services Ltd	26,711	23,019	6,354	2,700
Mack Air (Pvt) Ltd	22,715	21,058	2,520	1,837
Mackinnon Keells Ltd	2,675	2,579	263	761
Mackinnons Travels (Pvt) Ltd	16,293	13,983	2,799	2,358
Rajawella Holdings Ltd	12,948	13,438	6,474	8,433
Tea Small Holder Factories PLC	7,188	8,983	1,373	1,211
The Colombo Ice Company (Pvt) Ltd	27,942	25,634	188	3,082
Tranquility (Pte) Ltd	23,448	23,240	2,531	2,197
Trans Asia Hotels PLC	61,346	57,857	13,471	12,278
Travel Club (Pte) Ltd	9,592	9,599	989	925
Trinco Holiday Resorts (Pvt) Ltd	13,943	13,223	1,655	1,433
Union Assurance PLC	175,591	124,315	52,354	49,005
Walkers Tours Ltd	57,179	45,526	7,725	5,142
Waterfront Properties (Pvt) Ltd	103,448	51,332	20,048	40,879
Whittall Boustead (Pvt) Ltd	50,920	41,766	7,473	4,440
Whittall Boustead (Travel) Ltd	11,062	9,880	767	1,024
Yala Village (Pvt) Ltd	14,081	13,819	1,724	1,648
Other subsidiaries	219,917	167,170	92,925	55,467
	2,467,962	2,307,582	628,904	1,075,491

44. RELATED PARTY TRANSACTIONS (CONTD.)

44.5 Related party transactions and balances (Contd.)

	COMPANY			
	Rendering of services		Amounts due from	
For the year ended/As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Joint ventures				
DHL Keells (Pvt) Ltd	527,292	563,178	133,233	136,839
Braybrooke Residential Properties (Pvt) Ltd	1,180	951	116	80
Inchcape Mackinnon Mackenzie (Pvt) Ltd	1,508	1,355	162	143
Associates				
Indra Hotels & Resorts Kandy (Pvt) Ltd	3,290	-	3,933	-
Fairfirst Insurance Ltd	-	-	65	-
Nations Trust Bank PLC	-	-	678	152
Saffron Aviation (Pvt) Ltd	7,223	6,246	2,289	1,399
South Asia Gateway Terminals (Pvt) Ltd	10,141	9,767	2,092	480
Capital Hotel Holdings (Pvt) Ltd	14,792	14,956	1,658	1,753
Colombo West International Terminal (Pvt) Ltd	13,405	9,766	67,718	74,509
	578,831	606,219	211,944	215,355

44.6 Related party transactions and balances

	COMPANY			
	Receiving of services		Amounts due to	
For the year ended/As at 31 March **In Rs.'000s**	**2025**	**2024**	**2025**	**2024**
Subsidiaries				
Asian Hotels and Properties PLC	-	-	2,665	7,949
InfoMate (Pvt) Ltd	12,569	10,938	3,672	1,844
Trans Asia Hotels PLC	-	-	7,048	7,684
John Keells Information Technologies (Pvt) Ltd	468,862	423,906	65,891	39,224
John Keells Singapore (Pte) Ltd	25,039	19,472	-	-
Mackinnons Travels (Pvt) Ltd	-	-	1,017	5,797
Whittall Boustead (Pvt) Ltd	14,668	13,447	3,376	1,816
Other subsidiaries	9,900	4,617	12,634	19,539
	531,038	472,380	96,303	83,853
Joint ventures				
DHL Keells (Pvt) Ltd	362	71	-	-
Associates				
Fairfirst Insurance Ltd	-	-	30	4,420
Saffron Aviation (Pvt) Ltd	-	-	-	178
Capital Hotel Holdings (Pvt) Ltd	-	-	-	390
	362	71	30	4,988

Details of inter-company assets pledged and given as collateral for loans and borrowings can be found in Interest-bearing loans and borrowings Note 37.2 in the financial statements

44.7 Compensation of key management personnel

Key management personnel include members of the Board of Directors of John Keells Holdings PLC and its subsidiary companies.

For the year ended 31 March In Rs.'000s	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Short-term employee benefits	1,028,896	844,868	378,798	288,034
Post employment benefits	17,450	16,224	6,475	5,758
Share based payments	91,990	133,518	29,373	40,379
	1,138,336	994,610	414,646	334,171

Directors' interest in the employee share option plan of the Company

As at 31 March 2025, the executive members of the Board of Directors held options to purchase ordinary shares under the employee share option plan as follows;

COMPANY

Expiry date	2025 Adjusted exercise price Rs.	2025 Number of shares outstanding at the end of period	2025 Number of shares exercisable at the end of period	2024 Exercise price Rs.	2024 Number of shares outstanding at the end of period	2024 Number of shares exercisable at the end of period
30.06.2024	-	-	-	136.97	880,000	880,000
30.06.2025	13.26	4,310,164	4,310,164	132.86	880,000	660,000
30.06.2026	13.64	8,820,801	6,615,602	136.64	880,000	440,000
30.06.2027	12.17	8,640,376	4,320,189	121.91	862,000	215,500
30.06.2028	14.53	6,912,301	1,728,075	145.59	689,600	-
30.06.2029	20.03	8,565,199	-	-	-	-

Post to the corporate actions, number of shares and share prices have been adjusted accordingly.

No share options have been granted to the non-executive members of the Board of Directors under the employee share option plan.

OTHER DISCLOSURES

45. CONTINGENT LIABILITIES

Accounting policy

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of: the amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (SLFRS 15). Contingent assets are disclosed, where inflow of economic benefit is probable.

45. CONTINGENT LIABILITIES (CONTD.)

The contingent liabilities of the Company and the Group as at 31 March 2025, relates to the following:

JOHN KEELLS HOLDINGS PLC (JKH)

The contingent liability of the Company as at 31 March 2025, relates to the following:

Income tax assessment relating to year of assessment 2006/7.

The Company has lodged appeals against the assessment and is contesting it under appellate procedure.

Having discussed with independent legal and tax experts and based on information available, the contingent liability as at 31 March 2025, is estimated at Rs.54 Mn.

CEYLON COLD STORES PLC (CCS)

The contingent liability of CCS as at 31 March 2025, relates to the Following:

Income tax assessments relating to years of assessment 2009/10 to 2016/17.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2025 is estimated at Rs.36.5 Mn.

LANKA MARINE SERVICES (PVT) LTD (LMS)

The contingent liability of LMS as at 31 March 2025, relates to the following:

Income tax assessments relating to year of assessment 2001/2 to 2004/5, 2007/8, 2008/9, 2009/10 and 2011/12.

The company has appealed against the assessments on the grounds that the sale of bunker to foreign-going ships is an export, which is liable to concessionary rates of taxes, but this has been disputed by the Department of Inland Revenue (IRD). The Court of Appeal varied the terms on which TAC/Board of Review (BOR) determined the matter but affirmed the decision by the BOR/TAC which was in favour of the IRD. The company has lodged an appeal to the Supreme Court, and having considered the matter, the Supreme Court has granted leave to proceed.

Income tax assessment relating to years of assessment from 2005/6, 2006/7, 2010/11, 2012/13, 2013/14 to 2021/22.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure.

Apart from the procedural grounds of appeal, the substantive issue under dispute is the position taken by the company that the sale of bunker to foreign ships is an export and is entitled to the exemptions concessions attached thereto.

Having discussed with independent legal and tax experts and based on information available, the contingent liability as at 31 March 2025, is estimated at Rs.1,652 Mn.

MACKINNONS TRAVELS (PVT) LTD (MTL)

The contingent liability of MTL as at 31 March 2025, relates to the Following:

Value Added Tax assessments relating to the periods from 1 April 2009 to 31 March 2011 and 1 January 2017 to 30 November 2019.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with independent legal and tax experts and based on information available, the contingent liability as at 31 March 2025 is estimated at Rs.108 Mn.

CINNAMON HOTEL MANAGEMENT LTD (CHML)

The contingent liability of CHML as at 31 March 2025, relates to the following:

Income tax assessment relating to years of assessment 2018/19.

The company has lodged an appeal against the assessment and is contesting these under appellate procedure.

Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2025 is estimated at Rs.1.2 Mn.

TRANS ASIA HOTELS PLC (TAH)

The contingent liability of TAH as at 31 March 2025, relates to the following:

Income tax assessments relating to years of assessments 2012/13 to 2017/18.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2025 is estimated at Rs.183.3 Mn.

JOHN KEELLS HOTELS PLC (JK HOTELS PLC)

The contingent liability of JK Hotels PLC as at 31 March 2025, relates to the following:

Income tax assessments relating to years of assessment 2018/19 and 2019/20

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2025 is estimated at Rs.10.98 Mn.

HABARANA WALK INN LTD (HWI)

The contingent liability of HWI as at 31 March 2025, relates to the following:

Income tax assessment relating to year of assessment 2019/20.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2025 is estimated at Rs.57.3 Mn.

UNION ASSURANCE PLC (UA)

The contingent liability of UA as at 31 March 2025, relates to the following:

Value Added Tax assessments relating to the periods from 1 January 2018 to 30 September 2019.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure. Having discussed with independent legal and tax experts and based on information available, the contingent liability as at 31 March 2025, is estimated at Rs.0.07 Mn.

VAT on Financial Services and NBT on Financial Services assessments relating to the periods from 1 January 2016 to 31 December 2016, 1 January 2018 to 31 December 2018, 1 January 2019 to 31 December 2019 and 1 January 2021 to 31 December 2021.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure. Having discussed with independent legal and tax experts and based on information available, the contingent liability as at 31 March 2025, is estimated at Rs.342 Mn.

Income Tax Assessments received for years of assessments 2010/11 to 2021/22.

The assessments were raised for the above years of assessment by making life insurance income liable to pay income taxes of Rs 5,913 Mn in total. The company has lodged valid appeals against the assessments raised and is contesting these under the appellate procedure.

Having discussed with independent legal and tax experts and based on information available, the Directors are of the view that the company has followed due process and acted in accordance with the prevailing laws in its tax submissions for years of assessment from 2010/11 to 2021/22 and accordingly have concluded that the above assessments have no rationale or basis in law.

Dispute over the surcharge tax liability where the company used the income tax base of year of assessment 2020/21 in calculating the tax liability relating to the period from 1 January 2020 to 31 December 2020.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure. Having discussed with independent legal and tax experts and based on information available, the contingent liability as at 31 March 2025, is estimated at Rs.631 Mn.

46. CAPITAL AND OTHER COMMITMENTS

As at 31 March In Rs.'000s	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Capital commitments approved but not provided for	28,514,231	28,168,333	-	-
Guarantees*	3,366,272	2,950,644	2,804,948	2,446,021
	31,880,503	31,118,977	2,804,948	2,446,021

* The Group and Company guarantees include Rs.1,778 Mn (2024 Rs.1,802 Mn) provided on behalf of equity accounted investees.

47. ASSETS PLEDGED

Assets pledged for facilities obtained are given in Note 37.2 to the financial statements.

48. EVENTS AFTER THE REPORTING PERIOD

48.1 Divestment of Tea Smallholders Factories PLC (TSHF)

On 3 April, the Company divested the totality of its 37.62% equity stake in TSHF comprising of 11,286,000 ordinary shares, at a price of Rs.35 per share, for a total consideration of Rs.395.01 Mn. The Group recorded a loss of Rs. 249.4 Mn, at a consolidated level, on the disposal of its stake, as shown in the table below.

Given the non-materiality of the transaction values relative to the overall Group numbers, separate disclosures under 'Assets Held for Sale' or 'Discontinued Operations' have not been considered in the key financial statements.

The fair value of assets and liabilities disposed and the loss on disposal to be recorded are as follows.

Assets and Liabilities Held for Sale

As at 31 March In Rs.'000s	2025	As a % of Group numbers
Non-current assets	1,807,675	0.27%
Current assets	506,091	0.27%
Non-current liabilities	(363,513)	0.13%
Current liabilities	(237,417)	0.16%
Total identifiable net assets at fair value	**1,712,836**	
NCI	1,068,467	
Group Share of the Net Assets disposed	644,369	
Disposal proceeds	395,010	
Loss on disposal	**(249,359)**	

Profit from discontinued operations

For the year ended 31 March In Rs.'000s	2025	As a % of Group numbers
Profit after tax for the year from discontinued operations	21,598	0.31%

48.2 Final dividend

The Board of Directors of the Company has declared a final dividend of Rs.0.05 per share for the financial year ended 31 March 2025. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from auditors, prior to declaring a final dividend which is to be paid on or before 25 June 2025.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2025.

GOING FURTHER

SUPPLEMENTARY INFORMATION

ECONOMIC VALUE STATEMENT

In Rs. Mn. For the year ended 31 March	Transportation		Leisure		Property		Consumer Foods		Financial Services	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Direct economic value generated										
Revenue	54,998	51,556	53,257	51,441	9,379	2,466	41,691	35,920	21,293	18,666
Finance income	318	330	2,914	4,311	662	528	2,399	1,182	14,124	13,041
Share of results of associates	5,326	6,207	(75)	25	(231)	(409)	-	-	5,938	4,330
Profit on sale of assets & other income	110	203	1,524	1,047	169	440	1,066	856	48	28
Valuation gain/loss on IP	-	-	75	98	795	233	19	17	-	-
	60,752	58,296	57,695	56,922	10,774	3,258	45,175	37,975	41,403	36,065
Economic value distributed										
Operating costs	52,185	48,230	38,880	33,401	7,638	2,521	27,223	24,957	24,762	18,933
Employee wages & benefits	992	834	12,167	9,489	1,078	861	5,287	4,751	2,108	2,102
Payments to providers of funds	969	1,151	5,909	4,541	816	183	6,436	3,423	3,289	5,503
Payments to government	138	305	715	1,067	83	41	1,978	1,824	1,502	1,509
Community investments	15	13	35	20	9	1	36	31	25	11
	54,299	50,533	57,706	48,518	9,624	3,607	40,960	34,986	31,686	28,058
Economic value retained										
Depreciation	222	187	5,356	3,120	80	73	1,208	1,102	121	118
Amortisation	107	111	2,337	2,535	21	27	162	133	572	442
Profit after dividends	6,124	7,465	(7,704)	2,749	1,049	(449)	2,845	1,754	9,024	7,447
Retained for reinvestment / growth	6,453	7,763	(11)	8,404	1,150	(349)	4,215	2,989	9,717	8,007

Above data has been derived from the audited Financial Statements that were prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS).

This report has been prepared in accordance with the GRI Standards: Core option

								COMPANY			
Retail		Others		Total		Eliminations/ Adjustments					
2025	2024	2025	2024	2025	2024	2025	2024	2025	%	2024	%
140,507	124,795	9,776	9,519	330,901	294,363	(13,523)	(13,590)	317,378	89.70	280,773	88.17
69	77	21,011	17,205	41,497	36,674	(20,886)	(14,107)	20,611	5.83	22,567	7.09
(179)	(24)	-	-	10,779	10,129	-	-	10,779	3.05	10,129	3.18
3,324	3,367	304	291	6,545	6,232	(2,468)	(1,722)	4,077	1.15	4,510	1.42
5	5	63	97	957	450	-	-	957	0.27	450	0.14
143,726	128,220	31,154	27,112	390,679	347,848	(36,877)	(29,419)	353,802	100.00	318,429	100.00
121,596	109,980	17,276	18,053	289,560	256,075	(16,831)	(16,731)	272,729	77.09	239,344	75.16
7,922	6,812	4,158	3,798	33,712	28,647	-	-	33,712	9.53	28,647	9.00
4,383	4,307	18,286	14,128	40,088	33,236	(17,591)	(10,608)	22,497	6.36	22,628	7.11
3,125	1,954	105	276	7,646	6,976	-	-	7,646	2.15	6,976	2.19
18	38	131	88	269	202	-	-	269	0.08	202	0.06
137,044	123,091	39,956	36,343	371,275	325,136	(34,422)	(27,339)	336,853	95.21	297,797	93.52
1,831	1,744	206	201	9,024	6,545	-	-	9,024	2.55	6,545	2.06
1,713	1,562	142	109	5,054	4,919	-	-	5,054	1.43	4,919	1.54
3,138	1,823	(9,150)	(9,541)	5,326	11,248	(2,455)	(2,080)	2,871	0.81	9,168	2.88
6,682	5,129	(8,802)	(9,231)	19,404	22,712	(2,455)	(2,080)	16,949	4.79	20,632	6.48

DECADE AT A GLANCE

In Rs. Mn 31 March	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING RESULTS										
Group revenue	317,378	280,773	276,640	218,075	127,676	138,956	135,456	121,215	106,273	93,710
EBIT	33,324	37,683	40,392	34,359	7,931	15,508	20,198	28,155	23,324	20,192
Finance cost	(18,443)	(19,669)	(17,803)	(7,035)	(4,669)	(3,166)	(2,722)	(521)	(436)	(994)
Share of results of equity accounted investees (net of tax)	10,779	10,129	7,574	6,746	4,159	4,466	4,727	3,596	3,303	2,781
Profit before tax	14,881	18,014	22,589	27,324	5,445	12,403	18,616	27,634	22,888	19,198
Tax expense	(7,957)	(5,886)	(3,693)	(6,882)	(1,494)	(2,662)	(2,378)	(4,515)	(4,771)	(3,406)
Profit after tax	6,924	12,128	18,896	20,443	3,951	9,741	16,237	23,120	18,117	15,792
Attributable to:										
Equity holders of the parent	5,326	11,249	18,174	20,213	4,772	9,414	15,254	21,021	16,275	14,070
Non-controlling interests	1,598	879	722	230	(821)	327	983	2,099	1,842	1,722
	6,924	12,128	18,896	20,443	3,951	9,741	16,237	23,120	18,117	15,792
CAPITAL EMPLOYED										
Stated capital	132,512	90,602	73,188	73,188	63,102	62,881	62,806	62,802	62,790	58,702
Capital reserves and other components of equity	132,526	136,453	146,091	129,011	72,403	66,085	58,646	49,852	38,652	28,715
Revenue reserves	134,041	130,812	121,743	109,087	90,652	87,885	82,834	87,266	77,193	67,565
	399,079	357,867	341,022	311,286	226,157	216,851	204,286	199,920	178,635	154,982
Non-controlling interest	19,724	19,609	19,396	18,805	16,830	26,872	26,072	24,944	15,696	13,499
Total equity	418,803	377,476	360,418	330,091	242,987	243,723	230,358	224,864	194,331	168,481
Total debt	240,443	246,065	264,060	268,228	172,904	100,907	54,513	29,722	22,766	20,750
	659,246	623,541	624,478	598,319	415,891	344,630	284,871	254,586	217,097	189,231
ASSETS EMPLOYED										
Property, plant and equipment (PP&E)	419,298	382,989	362,097	124,348	113,077	111,534	97,688	87,260	64,396	52,737
Non-current assets other than PP&E	239,308	214,092	199,604	354,518	257,226	204,360	170,687	136,427	107,912	93,376
Current assets	187,312	174,110	182,806	238,929	166,491	121,050	95,421	98,762	104,964	94,863
Liabilities net of debt	(186,672)	(147,650)	(120,028)	(119,476)	(120,903)	(92,314)	(78,925)	(67,862)	(60,175)	(51,745)
	659,246	623,541	624,478	598,319	415,891	344,630	284,871	254,587	217,097	189,231
CASH FLOW										
Net cash flows from operating activities	41,462	32,751	11,444	30,440	13,825	(10,350)	(4,743)	16,012	21,020	20,513
Net cash flows from / (used in) investing activities	(68,385)	(60,081)	(78,889)	39,363	(44,944)	(27,039)	(8,452)	(16,640)	(17,670)	(9,567)
Net cash flows from / (used in) financing activities	28,488	(3,040)	(26,810)	31,693	55,427	18,431	(11,000)	(4,587)	(4,105)	(7,717)
Net increase / (decrease) in cash and cash equivalents	1,565	(30,370)	(94,254)	101,495	24,308	(18,959)	(14,709)	(5,215)	(755)	3,229
KEY INDICATORS										
Basic earnings per share* (Rs.)	0.32	0.69	1.12	1.25	0.29	0.58	0.94	1.29	1.00	0.87
Interest cover (no. of times)	1.8	1.9	2.3	4.9	1.7	4.9	7.8	54	52.8	51.5
Net assets per share** (Rs.)	22.6	20.3	19.3	17.7	12.8	12.3	11.6	11.3	10.1	8.8
Enterprise value (EV) (Rs.)	502,291	450,008	357,609	311,951	244,679	186,236	210,020	187,926	136,022	124,182
EV / EBITDA	11	11	7.7	10.7	15.7	9.2	8.5	5.8	5.0	5.0
ROE (%)	1	3.2	5.6	7.5	2.2	4.5	7.5	11.1	9.8	9.6
Debt / equity ratio (%)	57.4	65.2	73.3	81.3	71.2	41.4	23.7	13.2	11.7	12.3
Net debt excl. leases (cash)/Equity (%)	27.7	33.7	35.9	23.5	20.0	14.0	1.9	(14.9)	(28.5)	(30.8)
Dividend payout (Rs.Mn)	2,457	2,080	2,770	2,012	1,978	4,614	8,186	8,325	7,280	8,038
Current ratio (no. of times)	1.2	1.3	2.0	1.8	2.3	2.1	1.7	3.0	3.7	4.0
Market price per share unadjusted (Rs.)	20.20	194.0	140.0	145.0	148.5	115.4	156.0	159.6	137.9	148.0
Market price per share diluted (Rs.)	20.20	194.0	140.0	145.0	148.5	115.4	156.0	159.6	137.9	129.5
Revenue growth rate (%)	13	1.5	26.9	70.8	(8.1)	2.6	11.8	14.1	13.4	1.6
USD closing rate (Rs.)	296.33	300.4	329.5	305.0	200.3	189.6	175.5	155.9	151.9	147.7
USD average rate (Rs.)	298.02	318.1	360.4	208.3	189.0	179.4	168.6	153.6	148.0	139.2

* Basic earnings per share has been calculated for all periods, factoring the impacts of rights issue and share split.

** Net assets per share has been calculated, for all periods, based on the net assets of the Group and number of shares in issue as at 31 March 2025.

INDICATIVE US DOLLAR FINANCIAL STATEMENTS

INCOME STATEMENT

FOR INFORMATION PURPOSES ONLY

For the year ended 31 March **In USD '000s**	GROUP **2025**	 **2024**	COMPANY **2025**	 **2024**
Continuing operations				
Revenue from contracts with customers	1,000,352	873,297	10,732	9,708
Revenue from Insurance Contracts	70,694	61,366	-	-
Total Revenue	1,071,046	934,663	10,732	9,708
Cost of sales	(856,651)	(751,264)	(6,464)	(5,935)
Gross profit	214,395	183,399	4,268	3,773
Dividend income	-	-	36,099	38,293
Other operating income	13,758	15,015	450	417
Selling and distribution expenses	(44,059)	(33,498)	-	-
Administrative expenses	(109,586)	(86,495)	(9,025)	(7,435)
Other operating expenses	(26,509)	(27,258)	(1,335)	(288)
Results from operating activities	47,999	51,163	30,457	34,760
Finance cost	(62,238)	(65,476)	(34,287)	(39,849)
Finance income	69,554	75,125	16,221	19,265
Change in insurance contract liabilities	(44,701)	(36,063)	-	-
Change in fair value of investment property	3,229	1,498	-	-
Share of results of equity accounted investees (net of tax)	36,375	33,718	-	-
Profit before tax	50,218	59,965	12,391	14,176
Tax expense	(26,853)	(19,595)	(517)	(21)
Profit for the year	23,365	40,370	11,874	14,155
Attributable to:				
Equity holders of the parent	17,973	37,443		
Non-controlling interests	5,392	2,927		
	23,365	40,370		
Earnings per share				
Basic earnings per ordinary share	0.0011	0.0023		
Diluted earnings per ordinary share	0.0011	0.0023		

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditor's opinion and the notes to the financial statements. Exchange rates prevailing at year end USD/Rs.296.33 (2024 - 300.4) have been used to convert the income statement and statement of financial position.

INDICATIVE US DOLLAR FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

FOR INFORMATION PURPOSES ONLY

As at 31 March **In USD '000s**	**GROUP** **2025**	 **2024**	**COMPANY** **2025**	 **2024**
ASSETS				
Non-current assets				
Property, plant and equipment	1,414,992	1,274,929	327	391
Right- of - use assets	166,303	162,093	361	407
Investment properties	105,904	104,923	-	-
Intangible assets	53,473	21,069	9,370	116
Investments in subsidiaries	-	-	828,049	725,386
Investments in equity accounted investees	208,405	160,290	97,263	71,708
Non-current financial assets	258,446	247,942	8,042	11,690
Deferred tax assets	4,982	5,713	-	-
Other non-current assets	10,074	10,662	359	317
	2,222,579	1,987,621	943,771	810,015
Current assets				
Inventories	130,635	130,844	-	-
Trade and other receivables	107,341	94,465	2,402	1,534
Amounts due from related parties	1,958	2,244	2,838	4,297
Other current assets	35,962	34,303	2,486	10,468
Short term investments	305,109	266,414	208,552	192,428
Cash in hand and at bank	51,113	51,325	1,671	1,854
	632,118	579,595	217,949	210,581
Total assets	2,854,697	2,567,216	1,161,720	1,020,596
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Stated capital	447,183	301,606	447,183	301,606
Revenue reserves	452,344	435,460	354,360	345,983
Other components of equity	447,232	454,237	19,003	39,297
	1,346,759	1,191,303	820,546	686,886
Non-controlling interest	66,563	65,278	-	-
Total equity	1,413,322	1,256,581	820,546	686,886
Non-current liabilities				
Insurance contract liabilities	278,596	231,394	-	-
Interest-bearing loans and borrowings	462,735	423,334	246,104	183,237
Lease liabilities	92,465	93,477	341	363
Deferred tax liabilities	78,309	70,647	10,084	9,461
Employee benefit liabilities	11,688	11,953	1,116	1,088
Non-current financial liabilities	-	37,907	-	33,960
Other non-current liabilities	2,432	2,049	-	-
	926,225	870,761	257,645	228,109
Current liabilities				
Trade and other payables	225,182	141,753	1,816	4,873
Amounts due to related parties	1,828	1,494	325	296
Income tax liabilities	6,671	6,074	871	860
Short term borrowings	52,371	70,115	13,836	46,302
Interest-bearing loans and borrowings	90,013	77,287	48,982	25,533
Lease liabilities	8,882	12,929	27	23
Other current liabilities	25,253	22,199	77	71
Bank overdrafts	104,950	108,023	17,595	27,643
	515,150	439,874	83,529	105,601
Total equity and liabilities	2,854,697	2,567,216	1,161,720	1,020,596

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditor’s opinion and the notes to the financial statements. Exchange rates prevailing at year end USD/Rs.296.33 (2024 - 300.4) have been used to convert the income statement and statement of financial position.

GROUP REAL ESTATE PORTFOLIO

Owning company and location	Number of Buildings	Buildings in (sq. ft.)	Land in acres Freehold	Land in acres Leasehold	Net book value 2025 Rs.'000s	Net book value 2024 Rs.'000s
PROPERTIES IN COLOMBO						
John Keells PLC						
56/1, 58, 58 1/1 Kirulapone Avenue, Colombo 5.	-	-	0.08	-	1,250	1,250
Keells Realtors Ltd						
427/80, Ferguson Road, Colombo 15.	1	7,975	0.63	-	313,143	425,578
Mackinnon Keells Ltd						
Leyden Bastian Road, York Street, Colombo 1.	1	31,656	0.45	-	796,219	805,751
Union Assurance PLC						
No 20, St. Michaels' Road, Colombo 3.	1	57,916	0.58	-	2,898,290	2,710,771
Vauxhall Developments (Pvt) Ltd						
No.199, Union Place, Colombo 2 and 148, Vauxhall Street, Colombo 2.	7	209,484	3.56	-	10,483,773	10,537,840
No.188, 188/1, 188/2, 190, 192 Vauxhall Street, Colombo 2 and 42, Dawson Street, Colombo 2.	-	-	2.09	-	5,978,285	5,945,281
No. 186, 186/3 Vauxhall Street, Colombo 2.	-	-	3.72	-	10,928,939	10,875,358
Waterfront Properties (Pvt) Ltd						
No 5, Justice Akbar Mawatha, Slave Island, Colombo 2.	4	2,991,265	6.05	1.58	186,564,739	17,112,000
Glennie Properties (Pvt) Ltd						
No.82, Glennie Street, Colombo 2.	-	-	0.08	-	221,190	218,160
	14	3,298,296	17.24	1.58	218,185,828	48,631,989
PROPERTIES OUTSIDE COLOMBO						
Ceylon Cold Stores PLC						
Mathugama.	3	26,416	5.02	-	373,860	235,780
Kaduwela.	20	403,221	27.35	-	2,473,016	2,363,350
Trincomalee.	3	18,102	1.06	-	377,104	358,353
Kotagala.	6	13,354	-	0.71	110,183	109,430
Facets (Pvt) Ltd						
Ahungalla.	-	-	6.31	-	580,100	554,400
John Keells PLC						
17/1, Temple Road, Ekala, Ja-Ela.	1	1,200	3.77	-	543,500	513,000
John Keells Warehousing (Pvt) Ltd						
Muthurajawela.	3	146,743	-	6.19	772,332	764,836
Keells Food Products PLC						
41, Temple Road, Ekala, Ja-Ela.	8	52,795	3.00	1.00	537,242	509,174
Gonawala, Pannala.	4	41,808	3.86	4.08	375,842	387,164
Logipark International (Pvt) Ltd						
Muthurajawela.	3	244,277	-	9.23	2,736,729	2,773,515
Rajawella Holdings Ltd						
Mahaberiatenna, Kandy.	18	56,771	-	367.83	705,328	750,808
Tea Smallholder Factories PLC						
Broadlands.	14	62,765	4.14	-	153,960	147,620
Halwitigala.	14	53,999	9.61	-	125,113	122,243
Hingalgoda.	26	65,686	12.04	-	164,211	153,772
Karawita.	12	79,244	-	4.98	144,328	142,474
Kurupanawa.	22	55,728	12.12	-	164,072	156,875
Neluwa.	18	53,266	3.74	-	127,833	124,341
New Panawenna.	8	46,389	10.59	-	146,728	139,998
Peliyagoda.	2	32,589	-	0.98	524,100	503,000
	185	1,454,353	102.61	395.00	11,135,581	10,810,133

GROUP REAL ESTATE PORTFOLIO

Owning company and location			Land in acres		Net book value	
	Number of Buildings	Buildings in (sq. ft.)	Freehold	Leasehold	2025 Rs.'000s	2024 Rs.'000s
PROPERTIES OUTSIDE COLOMBO						
The Colombo Ice Company (Pvt) Ltd						
Avissawella.	9	182,937	-	9.30	1,872,442	1,835,380
J K Thudella Properties (Pvt) Ltd						
Tudella, Ja-Ela.	-	-	12.11	-	872,055	726,715
Union Assurance PLC						
No 06,Rajapihilla Road, Kurunegala.	1	27,412	0.20	-	414,378	418,000
Whittall Boustead Ltd						
150, Badulla Road, Nuwara Eliya.	1	4,343	0.46	-	227,319	213,319
	196	1,669,045	115.38	404.30	14,521,775	14,003,547
HOTEL PROPERTIES						
Asian Hotels and Properties PLC						
Cinnamon Grand Premises, Colombo 2.	4	736,351	6.64	-	34,429,575	33,499,217
Crescat Boulevard, Colombo 2.	1	145,196	1.39	-	2,443,326	2,467,893
Ahungalla Holiday Resort (Pvt) Ltd						
Ahungalla.	-	-	6.51	-	366,700	354,800
Beruwala Holiday Resorts (Pvt) Ltd						
Cinnamon Bey, Beruwala.	9	345,355	10.82	-	5,533,444	5,434,166
Ceylon Holiday Resorts Ltd						
Bentota Beach Hotel, Bentota.	8	323,505	2.02	11.92	5,083,231	4,847,516
Fantasea World Investments (Pte) Ltd						
Cinnamon Hakuraa Huraa Maldives.	163	236,730	-	18.90	10,372,042	10,997,044
Habarana Lodge Ltd						
Cinnamon Lodge Habarana.	79	101,162	-	36.09	900,347	898,573
Habarana Walk Inn Ltd						
Cinnamon Village Habarana.	84	91,369	-	9.34	355,237	361,551
Hikkaduwa Holiday Resort (Pvt) Ltd						
Hikka Tranz by Cinnamon.	6	229,953	0.29	4.37	2,051,584	2,092,801
Kandy Walk Inn Ltd						
Cinnamon Citadel, Kandy.	6	128,302	6.29	-	2,092,247	1,937,392
Resort Hotels Ltd						
Medway Estate, Nilaveli.	-	-	41.73	-	1,154,300	1,116,628
Trans Asia Hotels PLC						
Cinnamon Lake Side, Colombo 2.	3	399,931	-	7.65	8,045,635	7,604,702
Tranquility (Pte) Ltd						
Cinnamon Dhonveli Maldives.	146	261,327	-	17.16	23,894,301	24,712,514
Cinnamon Velifushi Maldives.	145	263,512	-	13.22	4,513,907	6,226,825
Travel Club (Pte) Ltd						
Ellaidhoo Maldives by Cinnamon.	115	178,294	-	13.80	4,196,206	5,068,517
Trinco Holiday Resorts (Pvt) Ltd						
Trinco Blu by Cinnamon.	9	128,079	13.24	-	1,845,686	1,748,602
Trinco Walk Inn Ltd						
Club Oceanic, Trincomalee.	-	-	14.15	-	441,242	419,467
Wirawila Walk Inn Ltd						
Randunukelle Estate, Wirawila.	-	-	25.15	-	109,513	105,716
Yala Village (Pvt) Ltd						
Cinnamon Wild Yala.	78	95,668	-	10.00	642,281	617,992
	856	3,664,734	128.23	142.45	108,470,804	110,511,916
Improvements to Keells Super outlets on leased hold properties and lease rentals paid in advance	139	1,563,650	-	126.28	19,586,025	18,550,031
Consolidated Value of Land and Buildings, Right of Use Assets and Investment Property	1,205	10,195,725	260.85	674.61	360,764,432	191,697,483

GLOSSARY

ACCRUAL BASIS
Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed during that period.

ASSET TURNOVER
Revenue including equity accounted investees divided by average total assets.

BETA
Covariance between daily JKH share return and market return divided by variance of daily market return, over a 5-year period.

CAPITAL EMPLOYED
Shareholders' funds plus non-controlling interests and total debt including lease liabilities.

CAPITAL STRUCTURE LEVERAGE (CSL)
Average total assets divided by average shareholders' equity.

CASH EARNINGS PER SHARE
Profit attributable to equity holders of the parent adjusted for non-cash items minus share of profits of equity accounted investees plus dividends from equity accounted investees divided by the weighted average number of ordinary shares in issue during the period.

CITY OF DREAMS SRI LANKA (CODSL)
Refer to the 687-key Cinnamon Life hotel, 113-key Nuwa hotel, Retail Mall and Casino Space. This excludes the residential and office towers at Cinnamon Life.

COMMON EARNINGS LEVERAGE (CEL)
Profit attributable to equity holders of the parent divided by profit after tax.

CONTINGENT LIABILITIES
A condition or situation existing as at the date of the Report due to past events, where the financial effect is not recognised because:

1. The obligation is crystallised by the occurrence or non-occurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. The obligation cannot be measured with sufficient reliability.

CURRENT RATIO
Current assets divided by current liabilities.

DEBT/EQUITY RATIO
Debt as a percentage of shareholders' funds and non-controlling interests.

DILUTED EARNINGS PER SHARE (EPS)
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for options granted but not exercised.

DIVIDEND PAYABLE
Final dividend per share multiplied by the latest available total number of shares as at the date of the Report.

DIVIDEND PAYOUT RATIO
Dividend paid as a percentage of Group profits attributed to equity holders.

DIVIDEND YIELD
Dividends adjusted for changes in number of shares in issue as a percentage of the share price (diluted) at the end of the period.

EARNINGS PER SHARE (BASIC)
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

EBITDA
Earnings before interest expense, tax, depreciation and amortisation (includes other operating income). Note that EBITDA includes interest income, fair value gains and losses on investment property and share of results of equity accounted investees but excludes exchange gains or losses (other than that of equity accounted investees).

EBIT
Earnings before interest expense and tax (includes other operating income}. Note that EBIT includes interest income, fair value gains and losses on investment property, depreciation and amortisation, and share of results of equity accounted investees, but excludes exchange gains or losses (other than that of equity accounted investees).

EBIT MARGIN
EBIT divided by revenue inclusive of share of equity accounted investees.

EFFECTIVE RATE OF TAXATION
Tax expense divided by profit before tax.

ENTERPRISE VALUE (EV)
Market capitalisation plus net debt/(net cash}.

INTEREST COVER
EBIT excluding fair value gains on investment property dividend by interest expense.

LIABILITIES TO TANGIBLE NET WORTH
Total non-current and current liabilities, including contingent liabilities, divided by tangible net worth.

LONG-TERM DEBT TO TOTAL DEBT
Long-term loans and similar obligations as a percentage of total debt.

MARKET CAPITALISATION
Number of shares in issue at the end of the period multiplied by the market price at the end of the period.

NET ASSETS
Total assets minus current liabilities, long-term liabilities, and non-controlling interests.

NET ASSETS PER SHARE
Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

NET DEBT (CASH)
Total debt minus cash and cash equivalents.

Cash and cash equivalents include cash in hand and at bank and short term investments, deposits with a maturity between one and three years held at the Holding Company, excluding short-term investments under the life fund of Union Assurance (UA), restricted regulatory fund at UA and customer advances at the Property Development sector, if any.

NET PROFIT MARGIN
Profit after tax attributable to equity holders of the parent divided by total revenue including equity accounted investees.

PRICE TO EARNINGS (P/E) RATIO
Market price per share over earnings per share.

PRICE TO BOOK (P/B) RATIO
Market price per share over net asset value per share.

PRICE TO CASH EARNINGS
Market price per share divided by diluted cash earnings per share.

PUBLIC HOLDING
Percentage of shares held by the public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report.

QUICK RATIO
Cash plus short-term investments plus receivables, divided by current liabilities.

RECURRING EBITDA/ RECURRING EBIT/ RECURRING PBT / RECURRING PAT/ RECURRING PAT TO EQUITY HOLDERS OF THE PARENT
Profit, as applicable, adjusted for the one-off impacts discussed under the Financial and Manufactured Capital Review section of the Report: Page 53.

RETURN ON ASSETS
Profit after tax divided by the average total assets.

RETURN ON CAPITAL EMPLOYED (ROCE)
EBIT as a percentage of average capital employed.

RETURN ON EQUITY (ROE)
Profit attributable to shareholders as a percentage of average shareholders' funds.

SCOPE 1 AND SCOPE 2
The Green House Gas (GHG) Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2 and Scope 3. The GHG emissions standard published by the International Organisation for Standardisation (ISO), 'ISO 14064', represents these classifications of Scope with the following terms:

1. Direct GHG emissions = Scope I
2. Indirect Energy iGHG emissions = Scope 2

SHAREHOLDERS' FUNDS
Total of stated capital, other components of equity and revenue reserves.

TANGIBLE NET WORTH
Total equity less intangible assets and deferred tax assets.

TOTAL DEBT
Long and short-term loans, including overdrafts and the liability arising out of the issue of convertible debentures (as applicable), and including lease liabilities. Instances where total debt excludes lease liabilities and/or excludes the liability arising out of the issue of convertible debentures are explicitly mentioned.

TOTAL EQUITY
Shareholders' funds plus non-controlling interest.

WORKING CAPITAL
Current assets minus current liabilities.

INDEPENDENT ASSURANCE STATEMENT

TO THE MANAGEMENT OF JOHN KEELLS HOLDINGS PLC (JKH)

John Keells Holdings PLC (Corporate Identity Number PQ14, hereafter referred to as 'JKH' or 'the Company') commissioned DNV Business Assurance India Private Limited ("DNV", "us" or "we") to conduct an independent assurance of its sustainability/non-financial disclosures in its Annual Report (hereafter referred as 'Report') for FY 2024-25.

Scope of Work and Boundary

The agreed scope of work is a Limited Level of assurance of non-financial sustainability disclosures in the Report for the reporting period 1 April 2024 to 31 March 2025. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the section 'Reporting Scope' of the report.

Boundary covers the performance of JKH operations in in Sri Lanka that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers the operations of JKH across all 45 companies which are included in the non-financial reporting scope.

Reporting Criteria and Standards

The disclosures have been prepared by JKH:

- "in accordance" with the requirements of Global Reporting Initiative (GRI) standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- ISO 14064-1:2018 - Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Assurance Methodology/ Standard

DNV carried out assurance engagement in accordance with DNV's VeriSustainTM protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustainTM Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustainTM protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements; ISO 14046 - Environmental management - Water footprint - Principles, requirements, and guidelines, to evaluate disclosures wrt. Greenhouse gases and water disclosures, respectively.

Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of JKH. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and any other key metrics specified under the reporting framework.
- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
- DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the assessment criteria.
- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.

Our competence, and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. www.dnv.com

DNV Business Assurance India Private Limited   Statement Number: DNV-2025-ASR-781984

DNV

INDEPENDENT ASSURANCE STATEMENT

- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustainTM Protocol, V6.0 for limited level of assurance for the disclosure.

Our Conclusion:

On the basis of the assessment undertaken, for GRI disclosures as mentioned in Annexure I, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

Principles as per DNV VeriSustainTM Protocol (V6.0):

1. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for JKH's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no change in material topics from the previous reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness. However, going forward JKH may, based on its strategic priorities, identify and articulate its medium and long-term sustainability targets and report its performance against these targets.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

3. Reliability/Accuracy

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our remote assessments with JKH's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

4. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

5. Neutrality/Balance

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the disclosures related to JKH's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Responsibility of the Company

JKH has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. JKH is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and JKH. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

DNV

INDEPENDENT ASSURANCE STATEMENT

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

For DNV Business Assurance India Private Limited,		
Sarkar, Chandan Digitally signed by Sarkar, Chandan Date: 2025.05.26 18:53:45 +05'30'	Digitally signed by Tikare, Prakash Date: 2025.05.27 10:07:54 +05'30'	Sharma, Anjana Digitally signed by Sharma, Anjana Date: 2025.05.27 09:49:15 +05'30'
Chandan Sarkar Lead Verifier Sustainability Services, DNV Business Assurance India Private Limited, India.	Prakash Tikare Area Manager India & ME DNV Business Assurance India Private Limited	Anjana Sharma Technical Reviewer Sustainability Services, DNV Business Assurance India Private Limited, India.
Verifier: Mohanakrishnan R		
22 May 2025, Bengaluru, India.		

INDEPENDENT ASSURANCE STATEMENT

Annexure I

Disclosures assured for Limited level of assurance:

- GRI 202: Market Presence 2016 – 202-1
- GRI 204: Procurement Practices 2016 – 204-1
- GRI 205: Anti-corruption 2016 – 205-1; 205-2; 205-3
- GRI 302: Energy 2016 – 302-1; 302-3; 302-4,
- GRI 303: Water and Effluents 2018 – 303-1; 303-2; 303-3; 303-4, 303-5
- GRI 304: Biodiversity 2016 – 304-1; 304-2; 304-3; 304-4
- GRI 305: Emissions 2016 – 305-1*; 305-2*; 305-4; 305-5; 305-6
- GRI 306: Waste 2020 – 306-1; 306-2; 306-3
- GRI 401: Employment 2016 – 401-1; 401-2; 401-3
- GRI 403: Occupational Health and Safety 2018 – 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9
- GRI 404: Training and Education 2016 – 404-1; 404-2; 404-3
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1
- GRI 406: Non-discrimination 2016 – 406-1
- GRI 408: Child Labour 2016 – 408-1
- GRI 409: Forced or Compulsory Labor 2016 – 409-1
- GRI 413: Local Communities 2016 -413-1
- GRI 414: Supplier Social Assessment 2016 – 414-1
- GRI 417: Marketing and Labeling 2016 -417-1, 417-2, 417-3
- GRI 418: Customer Privacy 2016 – 418-1

* Scope 1 GHG emissions are calculated as per the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard with the emission factors sourced from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report.

** Scope 2 GHG emissions GHG are calculated as per the Energy Balance 2022 - Sri Lanka Sustainable Energy Authority.

Annexure II – Sites selected for audit

S.no	Site	Location
1.	Sri Lanka Sites (onsite audit)	• Financial - Union Assurance, HO, Colombo • Retail – Keells Store-Duplication Road, Colombo • Retail - Keells Store - Kiribathogoda • Plantation - Kurupanawa, Nagoda • Hotels - Cinnamon Bey Beruwala • Consumer Foods- KFP, Pannala • Transportation - Enderamulla Warehouse

GROUP DIRECTORY

As at 31 March 2025

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year & Country
TRANSPORTATION	Ports and Shipping		Colombo West International Terminal (Pvt) Ltd**	Ports & Shipping Services	2021 (PV 00238709) Sri Lanka
			Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd**	Port agency services, project logistics and freight forwarding solutions	2021 (PV 00235035) Sri Lanka
			Mackinnon Mackenzie & Company (Shipping) Ltd*	Shipping Agency representation & logistics services	1973 (PV 359) Sri Lanka
			Maersk Lanka (Pvt) Ltd**	Shipping Agency representation & freight forwarding services	1992 (PV 2550) Sri Lanka
			South Asia Gateway Terminals (Pvt) Ltd**	Ports & Shipping Services	1998 (PV 326) Sri Lanka
	Transportation	Bunkering	Lanka Marine Services (Pvt) Ltd	Importer & supplier of heavy marine fuel oils	1993 (PV 475) Sri Lanka
		DHL Keells	DHL Keells (Pvt) Ltd**	International express courier services	1986 (PV 1307) Sri Lanka
		Logistics	John Keells Logistics (Pvt) Ltd	Integrated supply chain management	2006 (PV318) Sri Lanka
		Other	Mack International Freight (Pvt) Ltd*	International freight forwarding and clearing & forwarding	1980 (PV 831) Sri Lanka
			Mackinnon Mackenzie and Company of Ceylon Ltd	Fleet and operations management for port related services	1975 (PB 348) Sri Lanka
			Trans-Ware Logistics (Pvt) Ltd*	Renting of storage space	1994 (PV 3134) Sri Lanka
		Airlines	Mack Air (Pvt) Ltd	General sales agents for airlines in Sri Lanka	1980 (PV 868) Sri Lanka
			Mackinnons Travels (Pvt) Ltd	IATA accredited travel agent and travel related services	1971 (PV 1261) Sri Lanka
			Saffron Aviation (Pvt) Ltd	Domestic air line operations	2012 (PV 84728) Sri Lanka
CONSUMER FOODS		Beverages	Ceylon Cold Stores PLC	Manufacture & Marketing of Beverages and frozen confectionery and the holding company of JayKay Marketing	1926 1941 (PQ 4) Sri Lanka
		Frozen Confectionery	The Colombo Ice Company (Pvt) Ltd	Manufacturing and Marketing of frozen confectionery	2016 (PV 113758) Sri Lanka
		Convenience Foods	John Keells Foods India (Pvt) Ltd*	Marketing of Branded meat and convenience food products	2008 (U 15122MH2008FTC180902) India
			Keells Food Products PLC	Manufacturer and distributor of Processed meat, breaded meat & convenience food products.	1982 (PQ 3) Sri Lanka

Addresses	Directors	Stated Capital & Effective Holding
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 247 5574	K N J Balendra, J G A Cooray, S Mehta, Munish Kanwar, U M Abhyankar, H Sundaram, K A Pathak, J S Khurana, A Z Hashim, P A P Perera, Herath M P Jayawardana, S S Ranasinghe	USD 166,666,666 34%
No. 11, York Street, Colombo 1 Tel. 011 247 5420	D N Pratt, A Pillai, A Z Hashim, K C Subasinghe, P A P Perera	Rs.27,420,000 60%
No. 4, Layden Bastian Road, Colombo 1 Tel. 011 247 5423	K C Subasinghe, A Z Hashim, P A P Perera	Rs.5,000,000 100%
Level 16 "Park Land" 33, Park Street, Colombo 2 Tel. 011 479 4800	Biju Ravi, Saman Kekulawala, Vikash Agarwal, W T Ellawala, Ahmed Zafir Hashim	Rs.10,000,000 30%
Port of Colombo, P.O Box 141 Colombo 1 Tel. 011245 7500	K N J Balendra - Chairperson, J G A Cooray, N W Tambiah, A Z Hashim, D P Gamlath, Yen-I Chang, J R Goldner, S K Brand, N N Mawilmada, S C Deloor, P A P Perera, Eng. Herath M P Jayawardhana, Admiral S S Ranasinghe (Rtd)	USD 48,240,000 42.19%
No 04, Leyden Bastian Road, Colombo 1 Tel. 011 247 5410-421	A Z Hashim, D P Gamlath, P A P Perera	Rs. 350,000,000 99.44%
No. 148, Vauxhall Street, Colombo 2 Tel. 011 230 4304 / 011 479 8600	K N J Balendra - Chairperson, A Z Hashim, S P Wall, S R Sivarama	Rs.20,000,020 50%
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 247 5574	A Z Hashim, P A P Perera	Rs.200,000,000 100%
No. 11, York Street, Colombo 1 Tel. 7671671	K C Subasinghe, A Z Hashim, P A P Perera	Rs.354,000,000 100%
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 247 5509	A Z Hashim, P A P Perera	Rs.90,000 100%
No. 11, York Street, Colombo 1 Tel. 011 247 5545 - 539	A Z Hashim, N N Mawilmada, P A P Perera	Rs.220,000,080 100%
No. 11, York Street, Colombo 1 Tel. 011 247 5375 / 011 247 5335	K C Subasinghe, A Z Hashim, P A P Perera	Rs.12,500,000 100%
No. 186, Vauxhall Street, Colombo 2 Tel. 011 231 8600	K C Subasinghe, A Z Hashim, P A P Perera	Rs.5,000,000 100%
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 247 5502	J G A Cooray - Chairperson, A Z Hashim, B A B Goonetilleke, K Balasundaram, H D Abeywickrema, C S W Anthony, P A P Perera	Rs.1,251,079,528 40%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 231 8798	K N J Balendra - Chairperson, J G A Cooray, D P Gamlath, S T Ratwatte, R S W Wijeratnam, P N Fernando, K C Subasinghe, S Kanag Isvaran, R N K Fernando, H A J De Silva Wijeyeratne	Rs.918,200,000 81.36%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	P N Fernando, D P Gamlath	Rs.1,700,000,000 81.36%
Luthra and Luthra Chartered Accountants A 16 / 9, Vasant Vihar, New Delhi -110057, India Tel. 0091 1142591823, 0091 1126148048,26151853, 26147365 Fax: +91-11-2614 5222	P N Fernando, D P Gamlath	INR 90,000,000 88.63%
P.O Box 10, No.16, Minuwangoda Road, Ekala Ja-Ela Tel. 011 223 6317 / 011 223 6364	K N J Balendra - Chairperson, J G A Cooray, D P Gamlath, S De Silva, I Samarajiva, P D Samarasinghe, P N Fernando	Rs.1,294,815,000 88.63%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year & Country
RETAIL		Supermarket	JayKay Marketing Services (Pvt) Ltd	Owns and Operates the "Keells" chain of supermarkets and "Nexus Mobile" loyalty card programme.	1980 (PV 33) Sri Lanka
			Logipark International (Pvt) Ltd	Integrated Supply Chain Management	2018 (PV 00201610) Sri Lanka
		New Energy Vehicles	John Keells CG Auto (Pvt) Ltd**	Importing and selling New Energy Vehicles and providing after sales services	2023 (PV 00285800) Sri Lanka
		Office Automation	John Keells Office Automation (Pvt) Ltd	Distributor/Reseller and Services Provider in Office Automation(OA), Retail Automation (RA) and Mobile Devices	1992 (PV 127) Sri Lanka
LEISURE	Hotel Management		Cinnamon Hotel Management Ltd	Operator & marketer of resort hotels	1974 (PB 7) Sri Lanka
			Cinnamon Hotel Management International (Pvt) Ltd*	Operator & marketer of overseas hotels & resorts	2018 (PV 131788) Sri Lanka
			John Keells Hotels PLC*	Holding company of group resort hotel companies in Sri Lanka & Maldives	1979 (PQ 8) Sri Lanka
			Sentinel Realty (Pvt) Ltd**	Investment company for Hotel Development land	2011 (PV 80706) Sri Lanka
	Cinnamon Hotels & Resorts	Colombo Hotels	Asian Hotels and Properties PLC - Cinnamon Grand***	Owner & operator of the five star city hotel "Cinnamon Grand Colombo"	1993 (PQ 2) Sri Lanka
			Capitol Hotel Holdings Ltd	Developer of City Business Hotels	2012 (PB 5013) Sri Lanka
			Trans Asia Hotels PLC	Owner & operator of the five star city hotel "Cinnamon Lakeside Colombo".	1981 (PQ 5) Sri Lanka
		City of Dreams Sri Lanka	Waterfront Properties (Pvt) Ltd***	Developer of Hotels,Apartments, offices & Shopping Malls	2011 (PV 82153) Sri Lanka
		Sri Lankan Resorts	Ahungalla Holiday Resorts (Pvt) Ltd*	Owner of real estate	2012 (PV 85046) Sri Lanka
			Beruwala Holiday Resorts (Pvt) Ltd	Owner of "Cinnamon Bey" in Beruwala	2009 (PV 69678) Sri Lanka
			Ceylon Holiday Resorts Ltd -Bentota Beach Hotel	Owner of "Cinnamon Bentota Beach" in Bentota	1966 (PB 40) Sri Lanka
			Habarana Lodge Ltd	Owner of "Cinnamon Lodge" in Habarana	1978 (PB 38) Sri Lanka
			Habarana Walk Inn Ltd	Owner of "Habarana Village by Cinnamon" in Habarana	1973 (PB 33) Sri Lanka
			Hikkaduwa Holiday Resorts (Pvt) Ltd	Owner of "Hikka Tranz by Cinnamon" in Hikkaduwa	2010 (PV 71747) Sri Lanka

Addresses	Directors	Stated Capital & Effective Holding
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 231 6800	J G A Cooray - Chairperson, A Wanniarachchi, K C Subasinghe, N W Tambiah	Rs.1,198,000,000 81.36%
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 247 5574	A Wanniarachchi, K C Subasinghe, A Z Hashim	Rs.1,058,750,000 81.36%
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 212 5125	K N J Balendra, K C Subasinghe, P K Das, N K Chaudhary, J G A Cooray, Y T De Zoysa	Rs.540,000,000 50%
Corporate Office: 90 Union Place, Colombo 2 Technical Services: 148 Vauxhall Street, Colombo 2 Tel. 011 231 3000, 243 1576, 244 5760	N W Tambiah, K C Subasinghe, D P Gamlath	Rs.5,000,000 100%
No.117 Sir Chittampalam A Gardiner Mawatha, Colombo 2 Te,. 011 230 6600, 242 1101-8	M H Singhawansa, M R Svensson, K C Subasinghe	Rs.19,520,000 100%
No.117 Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600/011 242 1101-8	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.500,000 100%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600, 242 1101-15	K N J Balendra – Chairperson, J G A Cooray, S Rajendra, M R Svensson, M H Singhawansa, A K Moonesinghe, K Gunasekera, H Premaratne, A Goonetilleke	Rs.9,500,246,939 80.32%
No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600	B A B Goonetilleke - Chairperson, N N Mawilmada, C L P Gunewardane, K Balasundaram	Rs.147,478,121 40.16%
No. 77, Galle Road, Colombo 3 Tel. 011 243 7437 /249 7206	K N J Balendra - Chairperson, J G A Cooray, C L P Gunawardane, S Rajendra, M R Svensson, J Durairatnam, A S De Zoysa, A Nanayakkara	Rs.3,345,118,012 78.56%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	M S Weerasekera - Chairperson, M D R Gunatilleke, L C H Leow, A J Pathmarajah, M D M Gunatileka, M R Svensson, N N Mawilmada	Rs.1,168,800,100 19.47%
No. 115, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 249 1000	K N J Balendra - Chairperson, J G A Cooray, S Rajendra, C L P Gunawardane, M R Svensson, N L Gooneratne, H A J De S Wijeyeratne, S A Atukorale, C P R Perera	Rs.1,112,879,750 82.74%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, S Rajendra, N N Mawilmada	Rs.199,105,479,430 99.37%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.138,869,887 80.32%
Moragalla, Beruwala. Tel. 034 229 7000	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.2,338,150,000 79.78%
Galle Road, Bentota Tel. 034 227 5176 / 034 227 5266	S Rajendra, C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.2,845,469,318 79.83%
P.O Box 2, Habarana Tel. 066 227 0011-2/ 066 227 0072	S Rajendra, C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.341,555,262 78.99%
P.O Box 1, Habarana Tel. 066 227 0046-7/ 066 227 0077	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.126,350,000 79.34%
P.O Box 1, Galle Road, Hikkaduwa Tel. 091 227 7023	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.1,062,635,460 79.83%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year & Country
			Indra Hotel and Resorts Kandy (Pvt) Ltd*	Owner of 216-Key Hotel in Kandy	2017 (PV 124247) Sri Lanka
			International Tourists and Hoteliers Ltd*	Owner of Cinnamon Bey Beruwala	1973 (PB 17) Sri Lanka
			Kandy Walk Inn Ltd	Owner of "Cinnamon Citadel" in Kandy	1979 (PB 395) Sri Lanka
			Nuwara Eliya Holiday Resorts (Pvt) Ltd*	Owner of real estate	2014 (PV 98357) Sri Lanka
			Rajawella Hotels Company Ltd*	Owner of real estate	1992 (PB 92) Sri Lanka
			Resort Hotels Ltd*	Owner of real estate	1978 (PB 193) Sri Lanka
			Trinco Holiday Resorts (Pvt) Ltd	Owner of "Trinco Blu by Cinnamon" in Trincomalee	2009 (PV 69908) Sri Lanka
			Trinco Walk Inn Ltd*	Owner of Real Estate	1984 (PB 168) Sri Lanka
			Wirawila Walk Inn Ltd*	Owner of Real Estate	1994 (PB 89) Sri Lanka
			Yala Village (Pvt) Ltd	Owner of "Cinnamon Wild" in Yala	1999 (PV 2868) Sri Lanka
		Maldivian Resorts	Fantasea World Investments (Pte) Ltd	Owner of "Cinnamon Hakuraa Huraa" in Maldives	1997 (C 143/97) Maldives
			John Keells Maldivian Resorts (Pte) Ltd	Hotel holding company in the Maldives	1996 (C 208/96) Maldives
			Tranquility (Pte) Ltd	Owner of "Cinnamon Dhoinveli" and "Cinnamon Velifushi" in Maldives	2004 (C 344/2004) Maldives
			Travel Club (Pte) Ltd	Operator of "Ellaidhoo Maldives by Cinnamon" in Maldives	1992 (C 121/92) Maldives
	Destination Management		Cinnamon Holidays (Pvt) Ltd	Service providers of Inbound and outbound Tours	2015 (PV 107427) Sri Lanka
			Walkers Tours Ltd	Inbound tour operators	1969 (PB 249) Sri Lanka
			Whittall Boustead (Travel) Ltd	Inbound tour operators	1977 (PB 112) Sri Lanka
			Asian Hotels and Properties PLC - Crescat. Boulevard, The Monarch, The Emperor.***	Developer of 'Crescat Residencies', 'The Monarch' & 'The Emperor' Residential Towers Developer and manager of 'Crescat Boulevard ' shopping Mall	1993 (PQ 2) Sri Lanka

Addresses	Directors	Stated Capital & Effective Holding
No. 273, Katugastota Road, Kandy Tel. 081 223 4346	Y S H I K Silva, Y S H R S Silva, Y S H H K Silva, S Rajendra, C L P Gunawardane	Rs.4,194,400,493 32.13%
Moragalla, Beruwala Tel. 011 230 6600, 011 242 1101-8	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.1,939,760,925 79.78%
No.124, Srimath Kuda Ratwatte Mawatha, Kandy Tel. 081 223 4365-6/ 081 223 7273-4	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.115,182,009 79.03%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.1,236,832 80.32%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.38,807,863 80.32%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6780, 242 1101-8	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.19,554,783 79.89%
Sambativu, Uppuvelli, Trincomalee Tel. 026 222 2307 / 026 222 1611	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.357,000,000 80.32%
Alles Garden, Uppuveli, Sampathiv Post, Trincomalee Tel. 026 222 2307 / 011 230 6600	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.119,850,070 80.32%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6780, 011 242 1101-8	C L P Gunawardane, M R Svensson, M H Singhawansa	Rs.2,533,9138 80.32%
P.O Box 1, Kirinda, Tissamaharama Tel. 047 223 9449-52	M A Perera - Chairperson, C L P Gunawardane, S Rajendra, M H Singhawansa, J A Davis, M R Svensson, N W Tambiah	Rs.319,427,600 75.33%
Meemu Atoll, Republic of Maldives Tel. +9603336000	C L P Gunawardane, S Rajendra, M H Singhawansa, M R Svensson	USD 5,000,000 80.32%
2nd Floor, H.Maizan Building, Sosun Magu, Male, Republic of Maldives Tel. +9603336000	S Rajendra, C L P Gunawardane, M H Singhawansa, M R Svensson	USD 38,904,010 80.32%
North Malé Atoll, Republic of Maldives Tel. +9603336000	C L P Gunawardane, S Rajendra, M H Singhawansa, M R Svensson	USD 5,000,000 80.32%
North Ari Atoll, Republic of Maldives Tel. +9603336000	C L P Gunawardane, S Rajendra, M H Singhawansa, M R Svensson	USD 2,460,000 80.32%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, M R Svensson	Rs.200,000 80.32%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6306	S Rajendra, C L P Gunawardane, I N Amaratunga	Rs.51,374,200 98.05%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 Tel. 011 230 6746	S Rajendra, C L P Gunawardane, I N Amaratunga	Rs.250,410,000 100%
No.89, Galle Road, Colombo 3 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, C L P Gunawardane, S Rajendra, M R Svensson, J Durairatnam, A S De Zoysa, A Nanayakkara	Rs.3,345,118,012 78.56%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year & Country
			Keells Realtors Ltd*	Owner of Real Estates and Rental of Properties	1977 (PB 90) Sri Lanka
			Mackinnons Keells Ltd*	Rental of office spaces	1952 (PB 8) Sri Lanka
			Whittall Boustead (Pvt) Ltd - Real Estate Division	Renting of office space	1958 (PV 31) Sri Lanka
	Property Development		British Overseas (Pvt) Ltd*	Developer of "7th Sense" Residential Tower	2011 (PV 80203) Sri Lanka
			Braybrooke Residential Properties (Pvt) Ltd*	Investor of Braybrooke Residential Towers (Pvt) Ltd	1998 (PV 19165) Sri Lanka
			Braybrooke Residential Towers (Pvt) Ltd*	Developer of 'TRI-ZEN' Residential Towers	2017 (PV 128387) Sri Lanka
			Glennie Properties (Pvt) Ltd*	Property Development	2012 (PV 84278) Sri Lanka
			J K Land (Pvt) Ltd*	Investment Company for Property Sector	2012 (PV 84272) Sri Lanka
			J K Thudella Properties (Pvt) Ltd*	Owner of Real Estates and Rental of Properties	2018 (PV 129825) Sri Lanka
			John Keells Properties Ja-Ela (Pvt) Ltd	Developer of "VIMAN" Ja- Ela	2010 (PV 76068) Sri Lanka
			John Keells Residential Properties (Pvt) Ltd*	Developer of "On320" Residential Towers	2010 (PV 75050) Sri Lanka
			Rajawella Holdings Ltd	Operates an 18 hole, Donald Street Designed Golf Course in Digana	1991 (PB 27) Sri Lanka
			Vauxhall Land Developments (Pvt) Ltd*	Owner of Real Estates	2017 (PV 125587) Sri Lanka
			Waterfront Properties (Pvt) Ltd***	Developer of Hotels, Apartments, Offices & Shopping Malls	2011 (PV 82153) Sri Lanka
FINANCIAL SERVICES		Insurance	Fairfirst Insurance Ltd**	Providers of Non Life insurance solutions	2014 (PV 99666/PB) Sri Lanka
			Union Assurance PLC	Providers of Life insurance solutions	1987 (PQ 12) Sri Lanka
		Stock Broking	John Keells Stock Brokers (Pvt) Ltd	Share broking services	1979 (PV 89) Sri Lanka
		Banking	Nations Trust Bank PLC**	Commercial banking	1999 (PQ 118) Sri Lanka

Addresses	Directors	Stated Capital & Effective Holding
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.75,000,000 95.81%
No. 4, Layden Bastian Road, Colombo 1 Tel. 011 215 2100	J G A Cooray, K M Thanthirige, N W R Wijewantha, N N Mawilmada	Rs.327,800,000 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, K C Subasinghe, N N Mawilmada, U S I Perera	Rs.99,188,800 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, K C Subasinghe, N N Mawilmada, S P G N Rajapakse, D P Gamlath	Rs.1 ,000 61%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	Y S H R S Silva - Chairperson, S Rajendra, N N Mawilmada, D P Gamlath, Y S H I K Silva, C P Palansuriya, Y S H H K Silva	Rs.1,403,970,000 50%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	Y S H R S Silva - Chairperson, K N J Balendra, J G A Cooray, S Rajendra, N N Mawilmada, Y S H I K Silva, A D B Talwatte, C P Palansuriya	Rs.3,636,900,000 50%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N N Mawilmada, D P Gamlath, N W R Wijewantha	Rs.163,861,400 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, K C Subasinghe, N N Mawilmada, U S I Perera	Rs.24,964,638,930 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.453,467,620 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.954,360,000 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.925,200,000 100%
P O Box 7, Rajawella, Kandy Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, S Rajendra, N N Mawilmada, C B Thornton (Alt. C J Holloway), G R Bostock Kirk (Alt. E C Oxlade), S E Captain (Alt. R S Captain), B D N Jayatilake	Rs.784,690,140 49.85%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, N N Mawilmada, N W R Wijewantha, U S I Perera	Rs.21,716,553,910 100%
No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, S Rajendra, N N Mawilmada	Rs.199,105,479,630 99.37%
Access Towers II, 14th Floor, No: 278/4, Union Place, Colombo 2 Tel. 011 242 8428	G A Athappan - Chairperson, A S Wijesinha, C D Wijegunawardene, R M Prabhakar, S A J S W Jayatilake, G Soundarajan	Rs.3,131,949,000 19.80%
No.20, St. Michaels' Road, Colombo 3 Tel. 011 299 0990	K N J Balendra - Chairperson, S Rajendra, D P Gamlath, D H Fernando, S A Appleyard, P T Wanigasekara, C M L Dias Bandaranaike	Rs.1,000,000,000 90%
No. 186,Vauxhall Street, Colombo 2 Tel. 011 230 6250, 011 234 2066-7	S Rajendra, D P Gamlath, R S Cader, A M Ali	Rs.57,750,000 90.04%
No. 46/58, Nawam Mawatha, Colombo 2 Tel. 011 431 3131	R S Cader - Chairperson, N I R De Mel, C H A W Wickramasuriya, A R Fernando, R Shanmuganathan, C K Hettiarachchi, H D Gunetilleke, K C Subasinghe, Sanjeev Jha, A Wignaraja, R A Perera, M C Pietersz	Rs.13,007,640,749 32.55%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year & Country
OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES	Information Technology	IT Services	John Keells Information Technology (Pvt) Ltd	IT Consultancy & Professional Service	1998 (PV 652) Sri Lanka
		IT Enabled Services	InfoMate (Pvt) Ltd	IT enabled services	2005 (PV 921) Sri Lanka
			John Keells BPO Holdings Private Ltd*	Holding company of BPO group companies	2006 (C 60882) Mauritius
			John Keells BPO International (Pvt) Ltd*	Investment holding company	2007 (C 070137) Mauritius
			John Keells BPO Solutions Lanka (Pvt) Ltd*	BPO operations in Sri Lanka	2006 (PV 3458) Sri Lanka
	Plantation Services		John Keells PLC	Produce Broking and Real Estate Ownership	1960 (PQ 11) Sri Lanka
			John Keells Teas (Pvt) Ltd	Manager seven bought leaf tea factories	1979 (PV 522) Sri Lanka
			John Keells Warehousing (Pvt) Ltd	Warehousing of Tea and Rubber	2001 (PV 638) Sri Lanka
			Tea Smallholder Factories PLC	Owner and operator of Bought Leaf factories	1991 (PQ 32) Sri Lanka
	Other		Facets (Pvt) Ltd*	Owner of real estate	1974 (PV 1048) Sri Lanka
			J K Packaging (Pvt) Ltd*	Printing and packaging services provider for the export market	1979 (PV 1265) Sri Lanka
			John Keells Holdings PLC	Group holding company & function based services	1979 (PQ 14) Sri Lanka
			John Keells International (Pvt) Ltd*	Regional holding company providing administrative & function based services	2006 (PV 46) Sri Lanka
			John Keells Singapore (Pte) Ltd*	International trading services	1992 (199200499 C) Singapore
			Keells Consultants (Pvt) Ltd	Company secretarial services to the group	1974 (PB 3 PV) Sri Lanka
			Mortlake (Pvt) Ltd*	Investment company	1962 (PV 756) Sri Lanka

* The company is a non-operational company/ investment company/ holding company or owner of real estate.

** The company has not been considered for sustainability reporting as the Group does not exercise management control over the entity

*** Legal entity has been captured in multiple locations given that there are operations under different segments.

Addresses	Directors	Stated Capital & Effective Holding
No. 148, Vauxhall Street, Colombo 2 Tel. 011 230 0770-77	J G A Cooray - Chairperson, R Shanmuganathan, N W R Wijewantha	Rs.96,500,000 100%
No.4, Leyden Bastian Road, Colombo 1 Tel. 011 214 9700	J G A Cooray, N N Mawilmada, N W R Wijewantha, R Shanmuganathan	Rs.20,000,000 100%
IFS Court, 28, Cybercity, Ebene, Mauritius Tel. (230) 467 3000	Z H Niamut, K Peerbocus, N W R Wijewantha	USD 10 100%
IFS Court, 28, Cybercity, Ebene, Mauritius Tel. (230) 467 3000	Z H Niamut, K Peerbocus, N W R Wijewantha	USD 10 100%
No.4, Leyden Bastian Road, Colombo 1 Tel. 011 230 0770-77	N W R Wijewantha, R Shanmuganathan	Rs.335,797,260 100%
No. 186, Vauxhall Street,Colombo 2 Tel. 011 230 6000	K N J Balendra - Chairperson, J G A Cooray, N W R Wijewantha, A K Gunawardhana, C N Wijewardene, B A I Rajakarier, A Z Hashim, P D Samarasinghe	Rs.152,000,000 86.90%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6546	N W R Wijewantha, K C Subasinghe, A Z Hashim	Rs.120,000 100%
No.93,1st Avenue, Muturajawela, Hendala, Wattala. Tel. 011 481 9560	N W R Wijewantha, K C Subasinghe, A Z Hashim	Rs.120,000,000 86.90%
No.186, Vauxhall Street, Colombo 2 Tel. 011 214 9994 / 011 233 5880	K N J Balendra – Chairperson, J G A Cooray, A K Gunaratne, A Goonetilleke, A Z Hashim, P P Edirisinghe, S W F Jameel, C S Hettiarachchi	Rs.150,000,000 37.62%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	K M Thanthirige, D P Gamlath	Rs.6,150,000 100%
No. 148, Vauxhall Street, Colombo 2 Tel. 011 247 5308	K C Subasinghe, D P Gamlath, K M Thanthrige	Rs.14,500,000 100%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	K N J Balendra - Chairperson , J G A Cooray - Deputy Chairperson, D A Cabraal, S S H Wijayasuriya, S A Coorey, D V R S Fernando, H M A Jayesinghe, R Shukla	Rs.132,511,513,500 100%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000 / 011 242 1101-9	J G A Cooray, D P Gamlath, K M Thanthirige, N W Tambiah	Rs.1,991,600,000 100%
No.16 Collyer Quay, Level 21, Office Suit No.21-38, Singapore 049318 Tel. 65 63296409/ 65 68189150/ 65 96346593	J G A Cooray - Chairperson, K M Thanthirige, K C Subasinghe, D P Gamlath, R Ponnampalam	Rs.9,638,000 80%
No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 242 1101-9	J G A Cooray, K M Thanthirige, N W Tambiah, I V Gunasekera, N Rehmanjee	Rs.160,000 100%
No. 148, Vauxhall Street, Colombo 2. Tel. 011 247 5308	K M Thanthirige, K C Subasinghe	Rs.3,000 100%

GRI - DISCLOSURE 207-4

COUNTRY-BY-COUNTRY REPORTING

Description Rs.000	Reference	Page No	Sri Lanka	India	Mauritius	Republic of Maldives	Singapore	Total
a) All tax jurisictions included in Consolidated Financial Statements	Note 21.10	352						
b)								
i. Names of the resident entities	Group Directory							
ii. Primary activities of the organization	Group Directory							
iii. Number of employees			17,547	-	-	795	-	18,342
iv. Revenues from third-party sales			299,252,204	-	-	18,125,522	-	317,377,726
v. Revenues from intra-group transactions with other tax jurisdictions								
vi. Profit/loss before tax			15,084,078	1,915	13,658	(239,961)	21,647	14,881,337
vii. Tangible assets other than cash and cash equivalents			496,508,830	-	-	45,146,195	161	541,655,186
viii. Corporate income tax paid on a cash basis	Not Applicable							
ix. Corporate income tax accrued on profit/loss			(6,522,274)	-	(2,246)	(103,100)	(838)	(6,628,458)
x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/ loss before tax	Note 21.5	350						
c) The time period covered by the information reported in Disclosure 207-4	Year ended 31st Marcch 2025							
d) Capital expenditure incurred during the year			49,665,298	-	-	248,435	-	49,913,733
e) Community contribution			266,929	-	-	1,649	-	268,578

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	a, b, c, d - About us (Pg: 7), Corporate Information (IBC)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	a, b, c - Group directory (Pg: 410) Introduction to the report - Scope and boundary (Pg: 5)				
	2-3 Reporting period, frequency and contact point	a, b, c - Corporate Information (IBC) and Introduction to the report - Scope and boundary (Pg: 5)				
	2-4 Restatements of information	To align with best practices and enhance the quality of the Group's disclosures, some figures reported in 2023/24 have been restated based on audit insights, providing a more comprehensive reflection of the Group's performance. The Group established mechanisms in the 2025/26 financial year to capture newly identified data points and enhance reporting accuracy and completeness. The carbon emission factors have been updated in accordance with the latest standards to ensure consistency and reliability in environmental reporting.				
	2-5 External assurance	a. Introduction to the report - Information Verification and Quality Assurance (Pg: 5)				
	2-6 Activities, value chain and other business relationships	a. About Us (Pg: 7) b. i. Supply Chain Management (Pg: 101) and Full Industry groups section (Pg: 147-221) ii. Supply Chain Management (Pg: 101) iii. Industry Group Review (Pg: 147-221) c. Supply Chain Management (Pg: 101) and Industry Group Review (Pg: 147-221) d. Industry Group Review (Pg: 147-221)				
	2-7 Employees	a, b, c, d, e - Workforce Composition (Pg: 87-88)				
	2-8 Workers who are not employees	a, b, c - Workforce Composition (Pg: 87-88)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-9 Governance structure and composition	a, b - Corporate Governance Commentary (Pg: 230) Internal Governance Structure (Pg: 234) Board composition (Pg: 235-236) Board Skills (Pg: 236) b. Sustainability Governance (Pg: 264) Sustainability Governance Structure (Pg: 265-266) Board Sub-Committees (Pg: 269) c. i, ii, iii, v - Corporate Governance Commentary - Board composition (Pg: 235-236) c. iv - Corporate Governance Commentary - Details in respect of Directors (Pg: 240) c. vii and viii Appointments to the highest governance body are based on merit, expertise, and the strategic needs of the Group. While diversity in all its forms is valued and encouraged, selections are not made on the basis of specific diversity criteria. The emphasis remains on ensuring the appropriate skills, experience, and integrity necessary for effective leadership and governance.				
		c. iv - Corporate Governance Commentary Details in respect of Directors (Pg: 182) c. vii, viii - Board Management Profile (Pg: 150)				
	2-10 Nomination and selection of the highest governance body	a. Corporate Governance Commentary - Board Appointment (Pg: 237) b. Corporate Governance Commentary - Board Diversity (Pg: 272) Board Independence (Pg: 273) Board Composition (Pg: 235-236) Board Appointment (Pg: 237) Board Skills (Pg: 236) Nominations and Governance committee (Pg: 246 - 248)				
	2-11 Chair of the highest governance body	a, b - Corporate Governance Commentary - Combined Chairperson - CEO Role (Pg: 251)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-12 Role of the highest governance body in overseeing the management of impacts	a. Corporate Governance Commentary - Sustainability Governance (Pg: 264 - 266) b. i. Corporate Governance Commentary - Stakeholder Engagement, Management and Effective Communication (Pg: 260-264) c. Corporate Governance Commentary - Sustainability Governance (Pg: 264-266)				
	2-13 Delegation of responsibility for managing impacts	a. i, ii - Corporate Governance Commentary - Group Executive Committee (Pg: 227) Group Operating Committee (Pg: 228-229) Other Management Committees (Pg: 253) Employee Empowerment (Pg: 253) b. Sustainability Governance - Sustainability integration process (Pg: 264) b - Group Executive Committee (Pg:227) Group Operating Committee (Pg: 228-229)				
	2-14 Role of the highest governance body in sustainability reporting	Introduction to the Report - Process of completing the Integrated Report (Pg: 4)				
	2-15 Conflicts of interest	Corporate Governance Commentary - Ensuring Independence and Managing Conflicts of Interest (Pg: 239-242)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-16 Communication of critical concerns	a. Corporate Governance Commentary - Chairperson Direct (Pg: 269) Key internal policies (Pg: 266-268) Ombudsperson (Pg: 272) Internal Audit (Pg: 270-271) Forensic data analytics to identify anomalies and facilitate behavioural oversight (Pg: 271) Assurance Mechanisms (Pg: 266) Internal Controls (Pg: 269-271) b. Internal - Corporate Governance Commentary - Ombudsperson - Mandate and Role (Pg: 272) External - Corporate Governance Commentary - Stakeholder Engagement, Management and Effective Communication (Pg: 260-264)				
		b. Internal - Corporate Governance Commentary - Ombudsperson Report (Pg: 242) External - Corporate Governance Commentary - Stakeholder Engagement, Management and Effective Communication (Pg: 219)				
	2-17 Collective knowledge of the highest governance body	Corporate Governance Commentary - Board Access to Independent Professional Advice (Pg: 236) Board Induction and Training (Pg: 237)				
	2-18 Evaluation of the performance of the highest governance body	a. Corporate Governance Commentary - Board evaluation (Pg: 239) Chairperson - CEO Appraisal (Pg:252) b, c - Board Evaluation (Pg: 239)				
	2-19 Remuneration policies	Corporate Governance Commentary - Director Remuneration (Pg: 242-243) Human Resources and Compensation Committee (Pg: 245-246)				
	2-20 Process to determine remuneration	a. i, ii - Corporate Governance Commentary - Human Resources and Compensation Committee (Pg: 245-246) Performance Based Compensation Philosophy (Pg: 257) b. Director Remuneration (Pg: 242-243)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-21 Annual total compensation ratio		2-21 Annual total compensation ratio	Not applicable	The Group has not disclosed this metric, as it is not considered meaningful in the context of its operations. Given the Group's presence across a diverse range of industries with varying pay structures and compensation models, a consolidated ratio would not provide relevant or comparable insights into remuneration practices across the organization.	
	2-22 Statement on sustainable development strategy	a. Chairperson's message - Sustainability (Pg: 20-21)				
	2-23 Policy commitments	a. i, ii, iv - Corporate Governance Commentary - JKH Code of Conduct (Pg: 268) Supply Chain Management (Pg: 101) Social and Relationship Capital - Management Approach - Supply Chain Management (Pg: 109) a. iii - Corporate Governance Commentary - Key Impacts, Risks and Opportunities (Pg: 258) b. Social and Relationship capital - Management Approach - Business conduct and ethics (Pg: 108) c, d - Corporate Governance Commentary - Key Internal Policies (Pg: 266-268) e, f - Supply Chain Management (Pg: 101) Social and Relationship Capital Review - Management Approach - Supply Chain Management (Pg: 109) f. Corporate Governance Commentary - Greater Employee Involvement in Governance (Pg: 274) JKH Code of Conduct (Pg: 268)				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-24 Embedding policy commitments	a. i - Corporate Governance Commentary - Group Executive Committee and Other Management Committees (Pg: 227) Assurance mechanisms (Pg: 266) ii. Risk Management Process (Pg: 257-258) iii. Corporate Governance Commentary - Project approval process (Pg: 255) Supply Chain Management (Pg: 101) Social and Relationship Capital - Management Approach - Supply Chain Management (Pg: 109) iv. Corporate Governance Commentary - Board Induction and Training (Pg: 237) People Policies (Pg: 98)				
	2-25 Processes to remediate negative impacts	a, b, c - Corporate Governance Commentary - Internal audit (Pg: 270-271) Ombudsperson (Pg: 272) Employee Participation in Assurance (Pg: 269) d, e - Stakeholder engagement, management and effective communication - Investor Relations (Pg: 263) Employee Relations and Collective Bargaining (Pg: 94)				
	2-26 Mechanisms for seeking advice and raising concerns	Key Internal Policies (Pg: 266-268) Ombudsperson (Pg: 272) Chairperson Direct (Pg: 269) Senior Independent Director (SID) (Pg: 269) Employee Participation in Assurance (Pg: 269) a. i, ii - Speak up Policy (Pg: 98) People Policies (Pg: 98) Diversity, Equity and Inclusion (DE&I) (Pg: 94-95)				
	2-27 Compliance with laws and regulations	a. Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance - Additional Disclosures iv Pg 276 b. None				
	2-28 Membership associations	Knowledge Sharing and Policy Dialogues (Pg: 106-107)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-29 Approach to stakeholder engagement	Corporate Governance Commentary - Stakeholder Engagement, Management and Effective Communication (Pg: 260-264)				
	2-30 Collective bargaining agreements	a, b - Employee Relations and Collective Bargaining (Pg: 94) b. Management Approach - Employee Relations and Collective Bargaining (Pg: 97)				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Introduction to the report - Materiality (Pg: 5-6) Determining Materiality (Pg: 282-286)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	a, b - Management of Key Material Topics (Pg: 284-286)				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital Review - Management Approach - Biodversity (Pg: 85)				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (Pg: 80-83)				
	304-2 Significant impacts of activities, products and services on biodiversity			Not applicable	Not material	
	304-3 Habitats protected or restored	Biodiversity (Pg: 80-83) Reforestation and conservation Efforts (Pg: 82-83)				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Not applicable	Not material	

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	a, c, d, e - Management Approach to Financial and Manufactured Capital (Pg:66-67) a,b,d,e,f - Determining Materiality (Pg: 282-286) d. Group Outlook and Risks (Pg: 116-128) d,e - Strategy, Resource Allocation and Portfolio Management (Pg: 129-134) e. Strategy Formulation and Decision-Making Processes (Pg: 254) f. Stakeholder Engagement, Management and Effective Communication (Pg: 260-264)				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	a.Economic Value Statment (Pg: 398) b. Notes to the Financial Statements (Pg: 306)				
	201-2 Financial implications and other risk s and opportunities due to climate change		201-2	Information unavailable/ incomplete	The group is in the process of identifying risks and opportunities related to climate change and we will align these to SLFRS S1 and S2 disclosures timeline	
	201-3 Defined benefit plan obligations and other retirement plans	Employee benefit plans (Pg: 90-91)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	201-4 Financial assistance received from government		201-4 Financial assistance received from government	Confidentiality constraints	The Group has chosen not to disclose the monetary value of financial assistance received from governments, as required under GRI 201-4. This information is considered sensitive and confidential, and its disclosure could potentially impact competitive positioning and stakeholder relationships. As such, the Group has opted to withhold this information in line with internal policies and confidentiality obligations.	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach (Pg: 96-98)				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	a, c - Compensation and Benefits (Pg: 90) b - Workforce Composition (Pg: 87-88)				
	202-2 Proportion of senior management hired from the local community	a, b, c - Workforce Composition (Pg: 87-88) d - Sri Lanka and Maldives are considered as significant locations of operation for the Group due to the nature of its operational presence				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach (Pg: 108-110)				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Responsibility and Corporate Citizenship (Pg: 102-106)				
	203-2 Significant indirect economic impacts	Social Responsibility and Corporate Citizenship (Pg: 102-106)				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Supply Chain Management (Pg: 109)				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital Review (Pg: 99) Investor Relations - Group Highlights - Social and Relationship Capital (Pg: 30)				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Business Conduct and Ethics (Pg: 108)				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Investor Relations - Group Highlights - Social and Relationship Capital (Pg: 30)				
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Commentary - Greater Employee Involvement in Governance (Pg: 274)				
	205-3 Confirmed incidents of corruption and actions taken	a, b - Corporate Governance Commentary - The Code of Conduct (Pg: 268) c. Social and Relationship Capital Review - Management Approach - Supply Chain Management (Pg: 109) d. None				
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not material	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices			Not applicable	Not material	
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Tax governance (Pg: 260)				
GRI 207: Tax 2019	207-1 Approach to tax	a ii Corporate Governance Commentary - Tax governance (Pg: 260) Key Internal Policies (Pg: 266-268)	a.i	Information unavailable/ incomplete	Tax strategy is not publicly available	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	207-2 Tax governance, control, and risk management	a. Internal Compliance (Pg: 269) b. Senior Independent Director (SID) (Pg: 269) Chairperson Direct (Pg: 269) Board sub committees (Pg: 269) Employee participation in assurance (Pg: 269) Tax Governance - Investor relations (Pg: 263) Annual General Meeting (Pg: 263) c. Independent Auditors Report - Financial Statements of the Annual Report (Pg: 406)				
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance Commentary - Tax governance - 'Framework' (Pg: 260) a. i / ii The Group actively participates in the Ceylon Chamber of Commerce Tax Sub-Committee, the key body responsible for assessing stakeholder perspectives on taxation. Additionally, it maintains consistent and direct engagement with external auditors and the Inland Revenue Department (IRD).				
	207-4 Country-by-country reporting	Country by Country Reporting Disclosures (Pg: 420)				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not material	
GRI 301: Materials 2016	301-1 Materials used by weight or volume			Not applicable	Not material	
	301-2 Recycled input materials used			Not applicable	Not material	
	301-3 Reclaimed products and their packaging materials			Not applicable	Not material	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital Review - Management Approach - Greenhouse Gas Emissions and Energy Management (Pg: 84)				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Greenhouse Gas Emissions and Energy Management - Group performance comparison (Pg: 70)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	302-2 Energy consumption outside of the organization			Not applicable	Not Material	
	302-3 Energy intensity	Greenhouse Gas Emissions and Energy Management - Energy Consumption by Industry Group (Pg:70)				
	302-4 Reduction of energy consumption	Greenhouse Gas Emissions and Energy Management - Energy Efficiency (Pg: 71) 2024/25 Energy Reduction Goals, Initiatives and Progress (Pg: 71)				
	302-5 Reductions in energy requirements of products and services			Not applicable	Not Material	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital Review - Management Approach - Water and Effluent Management (Pg: 84-85)				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	a, b - Water and Effluent Management (Pg: 74-75) c, d - 2024/25 Water and Effluent Management Goals, Initiatives and Progress (Pg: 75)				
	303-2 Management of water discharge-related impacts	Water and Effluent Management - Effluent Treatment and Discharge (Pg: 75)				
	303-3 Water withdrawal	Water and Effluent Management (Pg: 74) Water Withdrawal (Pg: 74)				
	303-4 Water discharge	Water and Effluent Management (Pg: 74-75) Effluent Treatment and Discharge (Pg: 75)				
	303-5 Water consumption	Water and Effluent Management - Group Performance Comparison (Pg: 74)				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital Review - Management Approach - Greenhouse Gas Emissions and Energy Management (Pg: 84)				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions and Energy Management - Carbon Footprint -Group Performance Comparison (Pg: 71)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions and Energy Management - Carbon Footprint -Group Performance Comparison (Pg: 71)				
	305-3 Other indirect (Scope 3) GHG emissions			Not applicable	Not material	
	305-4 GHG emissions intensity	Greenhouse Gas Emissions and Energy Management - Carbon Footprint -Group Performance Comparison (Pg: 71)				
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions and Energy Management - Emissions Reduction Initiatives (Pg: 72)				
	305-6 Emissions of ozone-depleting substances (ODS)	Greenhouse Gas Emissions and Energy Management - Carbon Footprint - Emissions from Refrigerants and Ozone Depleting Substances (Pg: 72)				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not applicable	Not material	
Spills						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not material	
GRI 306: Effluents and Waste 2016	306-3 Significant spills			Not applicable	Not material	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital Review - Management Approach - Waste Management (Pg: 85)				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management and Packaging (Pg: 75) Natural Capital Review - Management Approach - Waste Management (Pg: 85)				
	306-2 Management of significant waste-related impacts	Waste Management and Packaging (Pg: 75) Extended Product Responsibility (Pg:78) Natural Capital Review - Management Approach - Waste Management (Pg: 85)				
	306-3 Waste generated	Waste Management and Packaging (Pg: 75)				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	306-4 Waste diverted from disposal	Waste Management and Packaging (Pg: 75)				
	306-5 Waste directed to disposal	Waste Management and Packaging (Pg: 75)				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Supply Chain Management (Pg: 109)		Not applicable	Not material	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management (Pg: 101)		Not applicable	Not material	
	308-2 Negative environmental impacts in the supply chain and actions taken			Not applicable	Not material	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach (Pg: 96-98)				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	a - Talent Acquisition (Pg: 88) b - Employee Exits (Pg: 95)				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	a - Compensation and Benefits (Pg: 90) b - Sri Lanka and Maldives are considered as significant locations of operations for the Group due to the nature of its operational presence				
	401-3 Parental leave	a ,b, c, d, e - Parental leave (Pg: 90)				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach (Pg: 96-98)				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Employee Relations and Collective Bargaining (Pg: 94)				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach - Health and Safety (Pg: 97)				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety (Pg: 92) Human Capital Review - Management Approach - Health and Safety (Pg: 97)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (OHS) Risk Assessments (Pg: 92)				
	403-3 Occupational health services	Human Capital Review - Management Approach (Pg: 97)				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety - Accidents and Incident Recording process (Pg: 93)				
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (OHS) Risk Assessments (Pg: 92) Health and Safety - Accidents and Incident Recording Process (Pg: 93)				
	403-6 Promotion of worker health	Health and Safety (Pg: 92)				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (OHS) Risk Assessments (Pg: 92) Human Capital Review - Management Approach - Health and Safety (Pg: 97)				
	403-8 Workers covered by an occupational health and safety management system	Human Capital Review - Management Approach - Health and Safety (Pg: 97)				
	403-9 Work-related injuries	Health and Safety - Accidents and Incident Recording Process (Pg: 93)				
	403-10 Work-related ill health			Not applicable	Not material	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach - Learning and Development (Pg: 96)				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	a. i, ii - Learning and Development (Pg: 91)				
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development (Pg: 91) Talent Acquisition - Employment transition assistance (Pg: 88)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management (Pg: 89)				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach (Pg: 96-98)				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	a. i, iii - Corporate Governance Commentary - Board composition (Pg: 235) iii - not applicable b. i, iii - Diversity, Equity and Inclusion (Pg: 94) ii. Workforce Composition (Pg: 87-88)				
	405-2 Ratio of basic salary and remuneration of women to men	a. Compensation and Benefits (Pg: 90) b. Sri Lanka and Maldives are considered as significant locations of operations for the Group due to the nature of its operational presence				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach - Diversity and Equal Opportunity (Pg: 97)				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	a, b - Diversity, Equity and Inclusion (DE&I) (Pg: 94)				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital Review - Management Approach - Employee Relations and Collective Bargaining (Pg: 97)				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Relations and Collective Bargaining (Pg: 94)				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Human Rights (Pg: 108)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social and Relationship Capital Review - Management Approach - Human Rights (Pg: 108) HR Compliance and Human Rights (Pg: 95)				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Human Rights (Pg: 108)				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and Relationship Capital Review - Management Approach - Human Rights (Pg: 108) HR Compliance and Human Rights (Pg: 95)				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not material	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Not applicable	Not material	
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not material	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Not applicable	Not material	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility and Corporate Citizenship (Pg: 102-106) Social and Relationship Capital Review - Management Approach - Community Relations and Empowerment (Pg: 108)				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility And Corporate Citizenship (Pg: 102-106)				
	413-2 Operations with significant actual and potential negative impacts on local communities			Not applicable	Not material	

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Supply Chain Management (Pg: 109)				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			Not applicable	Not material	
	414-2 Negative social impacts in the supply chain and actions taken			Not applicable	Not material	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not material	
GRI 415: Public Policy 2016	415-1 Political contributions			Not applicable	Not material	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Customer Relations and Product Responsibility (Pg: 109) Supply Chain Management (Pg: 101)				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social and Relationship Capital Review - Management Approach - Customer Relations and Product Responsibility (Pg: 109)		Not applicable	Not material	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Relations and Product Responsibility (Pg: 100)		Not applicable	Not material	
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital Review - Management Approach - Customer Relations and Product Responsibility (Pg: 109)				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Customer Relations and Product Responsibility - Product Labelling and Responsible Communication (Pg: 100)				
	417-2 Incidents of non-compliance concerning product and service information and labelling	Social and Relationship Capital Review - Management Approach - Customer Relations and Product Responsibility (Pg: 109)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital Review - Management Approach - Customer Relations and Product Responsibility (Pg: 109)				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance Commentary, 5.6.2 System of Internal Controls-Initiatives to Strengthen Internal Controls (Pg: 270)				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance Commentary, 5.6.2 System of Internal Controls-Initiatives to Strengthen Internal Controls (Pg: 270)				

HISTORY OF THE JOHN KEELLS GROUP

1870-1970

- Established E. John & Co as a produce and exchange brokers firm.
- Formed E. John, Thompson, White & Company Ltd. by merging with two London based tea brokers.
- Formed John Keell Thompson White Ltd by amalgamating with Keell and Waldock Ltd, a share and freight broking firm.

1971-1990

- Acquired Walkers Tours and Travels (Ceylon) Ltd.
- Renamed to John Keells Ltd and became the first Rupee quoted public company.
- Acquired controlling stake in John Keells Limited and obtained quotation on the Colombo Stock Exchange.

1991-2000

- Acquired Whittalls Group of Companies and gained control of Ceylon Cold Stores, Ceylon Holiday Resorts, and Union Assurance.
- Issued Global Depository Receipts (GDRs) on the Luxembourg Stock Exchange, becoming the first Sri Lankan company to list overseas.
- Acquired 80-key Velidhu Resort Hotel, the first major overseas investment of the Group.
- Established Nations Trust Bank, a joint venture with the International Finance Corporation (IFC) and Central Finance Co. Ltd.
- Commenced operations at the South Asia Gateway Terminal (SAGT) at the Port of Colombo.
- Became the first Sri Lankan company to obtain a SL-AAA credit rating from Fitch.

2001-2010

- Acquired Asian Hotels and Properties.
- Established John Keells Social Responsibility Foundation, the corporate social responsibility (CSR) arm of the Group.
- Launched 'Cinnamon Hotels & Resorts', the hotel brand of the Group.
- Entered into business process outsourcing business through a joint venture with Raman Roy Associates.
- Acquired land lease on Dhonveli Beach and Spa and Ellaidhoo Tourist Resort in the Maldives.
- Renamed John Keells Holdings Ltd to John Keells Holdings PLC.
- JKH surpassed market capitalisation of USD one billion.
- Renamed to John Keells Ltd and became the first Rupee quoted public company.
- Acquired controlling stake in John Keells Limited and obtained quotation on the CSE.

2011-2020

- JKH exceeded market capitalisation of USD two billion.
- Announced the 'Cinnamon Life Integrated Resort' project (now rebranded as 'City of Dreams Sri Lanka') and raised the necessary debt funding for the project, by way of the largest syndicated debt facility obtained by a local firm.
- Completed 150 years in business.
- Formally initiated OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence, as a division.

2021 ONWARDS

- Launched ONE JKH brand with initiatives focused on Diversity, Equity and Inclusion.
- Signed a build, operate and transfer (BOT) agreement for the development of West Container Terminal-1 (WCT-1) at the Port of Colombo as a public private partnership (PPP) project with Adani Ports and Special Economic Zone Limited (APSEZ). Introduced 100 days Equal Parental Leave.
- Partnering with the world's leading manufacturer of new energy vehicles to serves as the authorised distributor for BYD passenger vehicles in Sri Lanka.

NOTICE OF MEETING - ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Sixth Annual General Meeting ('AGM' or 'Meeting') of John Keells Holdings PLC (the 'Company') will be held as a virtual meeting on 27 June 2025 at 10.00 a.m.

The business to be brought before the Meeting will be to:

1. read the Notice convening the Meeting.
2. receive and consider the Annual Report and Financial Statements for the Financial Year ended 31 March 2025 with the Report of the Auditors thereon.
3. re-elect as a Director, Mr. J G A Cooray who retires in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. J G A Cooray is contained in the Profiles section of the Annual Report.
4. re-elect as a Director, Mr. D V R S Fernando who retires in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. D V R S Fernando is contained in the Profiles section of the Annual Report.
5. re-elect as a Director, Mr. H M A Jayesinghe who retires in terms of Article 91 of the Articles of Association of the Company. A brief profile of Mr. H M A Jayesinghe is contained in the Profiles section of the Annual Report.
6. re-elect as a Director, Ms. R Shukla who retires in terms of Article 91 of the Articles of Association of the Company. A brief profile of Ms. R Shukla is contained in the Profiles section of the Annual Report.
7. appoint Mr. M K Menon, who is 70 years of age, as a Director of the Company, for which the passing of the following resolutions are recommended:
    a. "THAT in terms of Section 211 of the Companies Act No. 07 of 2007, the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. M K Menon, who is 70 years of age and that he be appointed a Director of the Company."
    b. "THAT Mr. M K Menon, be designated as an Independent Non-Executive Director of the Company in terms of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange."

    A brief profile of Mr. M K Menon together with the report of the Nominations and Governance Committee detailing the reason and rationale for its recommendation to appoint Mr. M K Menon, are attached to this Notice of Meeting.
8. consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of John Keells Holdings PLC for 2024/25, is accessible via:

(1) The Corporate Website – ***https://www.keells.com/investor-relations/#latest-financials***

(2) The website of the Colombo Stock Exchange (CSE) – ***https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=JKH.N0000***

(3) The following QR Code (accessible through mobile devices):

Should Members wish to obtain a hard copy of the Annual Report 2024/25, they may send a request to the Company by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request, subject to the circumstances prevailing at the time, unless collected in person.

By Order of the Board
John Keells Holdings PLC

Keells Consultants (Private) Limited
Secretaries

27 May 2025

NOTES:

i. A Member unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in their place.

ii. A Proxy need not be a Member of the Company.

iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.

iv. Members are encouraged to vote by Proxy, through the appointment of a member of the Board of Directors, to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting, in the Form of Proxy.

v. In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting.

vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and their Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

vii. Instructions as to attending the virtual Meeting are attached.

Report of the Nominations and Governance Committee on the proposed appointment of Mr. M K Menon as an Independent Non-Executive Director of John Keells Holdings PLC (the 'Company').

The Committee, having considered the strategic demands facing the Company and the applicable regulatory requirements, submits this report and recommendation to the shareholders regarding the appointment of Mr. M K Menon as an Independent Non-Executive Director.

Considerations

In evaluating this recommendation, the Committee has taken into account the following:

1. Strategic needs of the Company and ensuring that the Board is equipped with the necessary experience and expertise to navigate the evolving business landscape.
2. Regulatory requirements and ensuring compliance with the provisions of the Companies Act No. 7 of 2007 (the 'Companies Act'). Particularly Section 210 of the Companies Act, which stipulates that individuals who have attained the age of seventy (70) years shall not be eligible for appointment as Directors unless such appointment is approved by a resolution of the shareholders under Section 211, declaring that the age limit shall not apply to the individual.
3. Adherence to the Listing Rules of the Colombo Stock Exchange ('Listing Rules') including applicable fit and proper and independence criteria and shareholder approval requirements for the appointment of Independent Non-Executive Directors who are above the age of seventy (70) years.
4. Mr. M K Menon's extensive professional experience, leadership record, and industry expertise, which are considered valuable assets to the Board.
5. Board composition, diversity and ensuring that the collective qualifications, skills, and experience of the Board are well-balanced, diverse, and aligned with the Company's strategic direction.

Committee Recommendation and Rationale

The Committee is of the view that Mr. M K Menon, despite having attained the age of seventy (70) years, possesses the necessary expertise, strategic acumen, and sound judgment to contribute effectively to the deliberations and oversight responsibilities of the Board.

In reaching this conclusion, the Committee carefully assessed the relevant provisions of the Companies Act and the Listing Rules and is of the view that save for the age-related criteria, Mr. M K Menon meets all other applicable qualifications under the Companies Act, as well as the fit and proper and independence criteria stipulated under the Listing Rules.

Furthermore, the Committee has taken into account Mr. M K Menon's written declaration affirming his compliance with the fit and proper and independence criteria and that he has no relationships or interests that could compromise his independence. Based on this assessment, the Committee is of the view that, notwithstanding his age, Mr. M K Menon demonstrates the necessary competence, capacity, independent thinking, and objectivity required for the role of an Independent Non-Executive Director of the Company.

The Committee therefore recommends his appointment as an Independent Non-Executive Director of the Company, subject to the requisite shareholder approvals in accordance with the Companies Act and the Listing Rules.

Profile - Madhavan Karunakaran Menon

Mr. Madhavan Karunakaran Menon joined Thomas Cook India in 2000 as the Executive Director responsible for the Foreign Exchange business and stepped up to the position of Managing Director in January 2006; Chairman & Managing Director in January 2016; and Executive Chairman effective July 2023. He will retire as Executive Chairman in May 2025 after 25 years with the Thomas Cook Group.

Mr. Menon completed his MBA from George Washington University and undergraduate degree from American University of Beirut.

Mr. Menon has a varied background, having commenced his career in banking and financial services at Grindlays Bank, Citibank and Emirates Bank and Birla Sun Life Asset Management Company.

During his tenure, Thomas Cook India has made several acquisitions, noteworthy being Kuoni's Destination Management Specialists across 17 countries and acquisition of Digiphoto Entertainment Imaging (DEI) (one of the world's leading imaging solutions and services providers). Additionally, he facilitated the purchase of the Thomas Cook Brand in 2018.

Thomas Cook (India) Limited (TCIL) is the leading omnichannel travel company in the country offering a broad spectrum of services including Foreign Exchange, Corporate Travel, MICE, Leisure Travel, Value Added Services and Visa Services. It operates leading B2C and B2B brands including Thomas Cook, SOTC, TCI, SITA, Asian Trails, Allied TPro, Australian Tours Management, Desert Adventures, Travel Circle International Limited (TCI 勝景), Sterling Holiday Resorts Limited, Distant Frontiers, TC Tours, DEI, Go Vacation, Private Safaris East & South Africa. As one of the largest travel service provider networks headquartered in the Asia-Pacific region, the Thomas Cook India Group spans 28 countries across 5 continents.

FORM OF PROXY-ANNUAL GENERAL MEETING

I/We .... of

....

.... being a member/s of John Keells Holdings PLC hereby appoint

.... of

.... or failing him/her

MR. KRISHAN NIRAJ JAYASEKARA BALENDRA	or failing him
MR. JOSEPH GIHAN ADISHA COORAY	or failing him
MR. DAMIEN AMAL CABRAAL	or failing him
DR. SHRIDHIR SARIPUTTA HANSA WIJAYASURIYA	or failing him
DR. SHARMINI AMRITA COOREY	or failing her
MR. DEVENI VIDANALAGE RENUK SUREN FERNANDO	or failing him
MR. HECTOR MANIL ANTHONY JAYESINGHE	or failing him
MS. RUCHIRA SHUKLA	

as my/our proxy to represent me/us and vote on my/our behalf at the Forty Sixth Annual General Meeting of the Company to be held on 27 June 2025 at 10.00 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter 'X' in the appropriate cage:

	For	Against	Abstained
To re-elect as a Director, Mr. J G A Cooray, who retires in terms of Article 84 of the Articles of Association of the Company.			
To re-elect as a Director, Mr. D V R S Fernando who retires in terms of Article 84 of the Articles of Association of the Company.			
To re-elect as a Director, Mr. H M A Jayesinghe who retires in terms of Article 91 of the Articles of Association of the Company.			
To re-elect as a Director, Ms. R Shukla who retires in terms of Article 91 of the Articles of Association of the Company.			
To appoint as a Director Mr. M K Menon who is 70 years of age, in terms of Section 211 of the Companies Act No. 7 of 2007 and that the age limitation under Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. M K Menon.			
To designate Mr. M K Menon, who is 70 years of age, as an Independent Non-Executive Director of the Company, in terms of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.			
To re-appoint the Auditors and to authorise the Directors to determine their remuneration.			

Signed on this .... day of .... Two Thousand and Twenty-Five.

....

Signature/s of Shareholder/s

NOTE:

INSTRUCTIONS AS TO THE COMPLETION OF THE FORM OF PROXY ARE NOTED ON THE REVERSE.

INSTRUCTIONS AS TO COMPLETION OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.

2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, or forwarded by fax to +94 11 243 9037, or e-mailed to *keellsconsultants@keells.com* no later than 48 hours before the time appointed for the convening of the Meeting.

3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

4. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.

5. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting.

Please fill in the following details:

Name : ....

Address : ....

....

....

Jointly with : ....

Share Folio No : ....

NIC No. : ....

CORPORATE INFORMATION

Name of Company
John Keells Holdings PLC

Legal Form
Public Limited Liability Company
Incorporated in Sri Lanka in 1979
Ordinary Shares listed on the Colombo Stock Exchange

Company Registration No.
PQ 14

Directors
K N J Balendra - Chairperson/CEO
J G A Cooray - Deputy Chairperson/Group Finance Director
D A Cabraal
S S H Wijayasuriya
S A Coorey
D V R S Fernando
H M A Jayesinghe
R Shukla

Senior Independent Director
S S H Wijayasuriya

Audit Committee
H M A Jayesinghe - Chairperson
D A Cabraal
D V R S Fernando

Human Resources and Compensation Committee
D V R S Fernando - Chairperson (Appointed w.e.f. 1 January 2025)
D A Cabraal
S S H Wijayasuriya

Nominations and Governance Committee
S A Coorey - Chairperson (Appointed w.e.f. 1 January 2025)
D A Cabraal
S S H Wijayasuriya

Related Party Transaction Review Committee
H M A Jayesinghe - Chairperson
D A Cabraal
D V R S Fernando

Project Risk Assessment Committee
S S H Wijayasuriya - Chairperson
K N J Balendra
D A Cabraal
J G A Cooray

Registered Office of the Company
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6000
Internet : www.keells.com
Email : jkh@keells.com

Secretaries
Keells Consultants (Private) Limited
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6245
Facsimile : +94 11 243 9037
Email : keellsconsultants@keells.com

Investor Relations
John Keells Holdings PLC
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6170
Facsimile : +94 11 230 6160
Email : investor.relations@keells.com

Sustainability, Enterprise Risk Management and Group Initiatives
186 Vauxhall Street,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6182
Email : sustainability@keells.com

Contact for Media
Corporate Communications Division
John Keells Holdings PLC
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6191
Email : jkh@keells.com

Auditors
Ernst & Young
Chartered Accountants
P.O. Box 101
Colombo, Sri Lanka

Bankers for the Company
Bank of Ceylon
Bank of China Ltd
Citibank N.A.
Commercial Bank of Ceylon PLC
Deutsche Bank A.G.
DFCC Bank PLC
Hatton National Bank PLC
Hongkong and Shanghai Banking Corporation
National Development Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank

Designed & produced by
emagewise
Digital Plates & Printing by Softwave Printing and Packaging (Pvt) Ltd

John
Keells
Group

www.keells.com